

Valecha Infrastructure Limited

Balance Sheet as at 31st Mar 2023


Particulars		Note No	(Rs. In Lakhs)	
			As at 31st March, 2023	As at 31st March, 2022
I.	ASSETS			
1	Non-Current Assets			
	Investment in the nature of equity in subsidiaries	1	1,852.85	1,852.85
	Total Non Current Assets		1,852.85	1,852.85
2	Current Assets			
	Financial Assets			
	(a) Cash and Cash equivalents	2	0.40	0.39
	(b) Loans	3	3,562.28	3,563.97
	(c) Other Current Assets	4	3.08	2.73
	Total current Assets		3,565.76	3,567.09
	TOTAL ASSETS		5,418.60	5,419.94
II.	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	5	5.00	5.00
	(h) Other Equity	8	(22,265.00)	(21,263.34)
	Total Equity		(22,260.00)	(21,258.34)
2	Non Current Liabilities			
	(a) Financial Liabilities			
	Borrowing		-	-
	Total Non-Current Liabilities		-	-
3	Current liabilities			
	Financial Liabilities			
	(a) Borrowing	7	21,632.00	21,635.15
	(b) Other current Liabilities	8	6,046.60	5,043.12
	Total Current Liabilities		27,678.60	26,678.27
	TOTAL EQUITY & LIABILITIES		5,418.60	5,419.94
The notes form an integral part of these financial statements				

As per our report of even date
For Rajratan Kothari Associates
Chartered Accountants
FRN: 113704W

For and on behalf of the Board

Rajratan M Kothari
Proprietor
Membership No : 032428
Place : Mumbai
Date : 20th July 2023




Vijaykumar Himatlal Modi
(Director)
DIN : 01224842


Anil Sakharam Korpe
(Director)
DIN : 07543339

Valecha Infrastructure Limited

Statement of Profit and Loss for the Period Ended 31st March 2023

Particulars		Note No	(Rs. In Lakhs)	
			As at 31st March, 2023	As at 31st March, 2022
I.	Revenue from operations		-	-
II.	Other income	9	3.50	3.50
III.	Total Revenue (I + II)		3.50	3.50
IV.	Expenses:			
	Employees Benefit Expenses		1.20	1.20
	Finance costs	10	1,003.22	1,003.22
	Other expenses	11	0.74	0.95
	Total expenses		1,005.16	1,005.37
V.	Loss before exceptional and extraordinary items and tax (III-IV)		(1,001.66)	(1,001.87)
VI.	Exceptional items			
	Loss on diminution in value of Investment		-	-
	Total Exceptional items		-	-
VII.	Loss before extraordinary items and tax (V - VI)		(1,001.66)	(1,001.87)
VIII.	Extraordinary Items		-	-
IX.	Loss before tax (VII- VIII)		(1,001.66)	(1,001.87)
X	Tax expense:			
	(1) Current tax			
	(2) Deferred tax			
XI	Loss for the period		(1,001.66)	(1,001.87)
Xii	Other Comprehensive Income			
	Items that will not be classified to profit & loss			
	Investment in Equity Instrument			
	Transaction with owners in their capacity as owners			
	Total Comprehensive income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)		(1,001.66)	(1,001.87)
XII	Earnings per equity share:			
	(1) Basic		(2,003.32)	(2,003.73)
	(2) Diluted		(2,003.32)	(2,003.73)

The notes form an integral part of these financial statements

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(Signature)

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Valecha Infrastructure Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2023

		(Rs. In Lakhs)	
	Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A	Cash flow from Operating Activity		
	Loss Before Tax and Extraordinary Item	(1,001.66)	(1,001.87)
	Add / (Deduct) Adjustment for :		
	Loss on diminution in value of investments	-	-
	Diminution In The Value Of Investment		
	Impairment of CWIP		
	Interest Paid	1,003.22	1,003.22
	Operating Profit/(Loss) before working capital changes	1.56	1.35
	Increase in Current Liabilities	1,003.48	1,003.02
	(Increase)/Decrease in Short Term Loans and Advances	1.69	4.74
	(Increase)/Decrease in Other Current Assets	(0.35)	(0.35)
	Trade and other Receivable		
	Trade and other Payables		
	Net Cash Flow from Operating Activity	1,006.37	1,008.76
B	Cash Flow from Investing Activity		
	Purchase of Investments	-	(2.50)
	Net Cash flow From Investing Activity	-	(2.50)
C	Cash Flow from Financing Activities		
	Increase in Other Equity		
	Interest Paid	(1,003.22)	(1,003.22)
	Proceeds from/(Repayment of) Short term borrowing	(3.15)	(3.05)
	Proceeds from/(Repayment of) Long term borrowing	-	-
	Net Cash From Financing Activities	(1,006.37)	(1,006.27)
	Net Increase/(Decrease) in Cash and Cash Equivalents	0.00	-
	Opening Balance of Cash and Cash Equivalents	0.39	0.39
	Closing Balance of Cash and Cash Equivalents	0.40	0.39

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For and on behalf of the Board

Rajratan M Kothari
Proprietor
Membership No : 032428
Place : Mumbai
Date : 20th July 2023



Vijaykumar Himatlal Modi
(Director)
DIN : 01224842

Anil Sakharam Korpe
(Director)
DIN : 07543339

Valecha Infrastructure Limited

Statement of changes in equity

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	Amount
Balance as at March 31, 2022	5.00
Changes in equity share capital during the year	-
Balance as at March 31, 2023	5.00

B. Other Equity

(Rs. In Lakhs)

Particulars	Retained Earnings	Corporate Guarantee	Total
Balance as at March 31, 2022	(21,556.30)	292.96	(21,263.34)
Profit for the year	(1,001.66)	-	(1,001.66)
Other comprehensive income	-	-	-
Balance as at March 31, 2023	(22,557.96)	292.96	(22,265.00)

As per our report of even date
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Proprietor
Place : Mumbai.
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Vijaykumar Himatlal Modi
(Director)
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Valecha Infrastructure Limited
Notes on Financial Statement for the Year ended on 31st Mar 2023

Note 1 Investment	(Rs. In Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Investment in Equity Shares of Subsidiaries - Unquoted		
Investment in Valecha Badwani Sendhwa Tollways Limited [37,00,000 (Pr. Yr. 37,00,000) Equity Shares Face Value of Rs 10 Each]	370.00	370.00
Investment in Valecha LM Toll Private Limited (VLMTPL) [74,00,000 (Pr. Yr. 74,00,000) Equity Shares Face Value of Rs 10 Each]	740.00	740.00
Less: Diminution in the value of investment in Eq. Share of VLMTPL (Refer Note 18)	(740.00)	(740.00)
Investment in Gopaldas Vasudev Construction Limited [352 Equity Shares Face Value of Rs 100 Each]	0.35	0.35
Investment in Valecha Reality Limited [24950 Equity Shares Face Value of Rs 10 Each]	2.50	2.50
Investment in Debentures of subsidiary - Unquoted		
Investment in CCD - Valecha LM Toll Private Limited [3,73,10,000 (Pr. Yr. 3,73,10,000) CCD Face Value of Rs 10 Each]	3,731.00	3,731.00
Less: Diminution in the value of investment in CCD of VLMTPL (Refer Note 18)	(3,731.00)	(3,731.00)
Investment in CCD- Valecha Badwani Sendhwa Tollways Limited [1,48,00,000 (Pr. Yr. 1,48,00,000) CCD Face Value of Rs. 10 Each]	1,480.00	1,480.00
Total	1,852.85	1,852.85
Note 2 Cash and cash equivalents		
	As at 31st March, 2023	As at 31st March, 2022
1) Cash on Hand	-	-
2) Balances with Banks		
In Current Accounts	-	-
Canara Bank	0.09	0.09
Yes Bank	0.30	0.30
Total	0.40	0.39
Note 3 Loans and Advance to related parties		
	As at 31st March, 2023	As at 31st March, 2022
Loans and Advance to related parties	3,562.28	3,563.97
Total	3,562.28	3,563.97
Type of Borrower (Loans & Advances to Related Parties)		
<u>Agreement does not specify any terms or period of repayment</u>	As at 31.03.2023	
	Outstanding amount of loan or advance in the nature of loan	% to the total Loans and Advances in the nature of loans
Promoters	16.03	0.45%
Directors	-	0.00%
KMPs	-	0.00%
Related Parties	3,546.26	99.55%
Total	3,562.28	100.00%
Type of Borrower (Loans & Advances to Related Parties)		
<u>Agreement does not specify any terms or period of repayment</u>	As at 31.03.2022	
	Outstanding amount of loan or advance in the nature of loan	% to the total Loans and Advances in the nature of loans
Promoters	16.03	0.45%
Directors	-	0.00%
KMPs	-	0.00%
Related Parties	3,547.94	99.55%
Total	3,563.97	100.00%
Note 4 Other Current Assets		
	As at 31st March, 2023	As at 31st March, 2022
TDS Receivable	3.08	2.73
Total	3.08	2.73



Valecha Infrastructure Limited
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2023

(Rs. In Lakhs)		
Note 5	SHARE CAPITAL	
	As at 31st March, 2023	As at 31st March, 2022
(I) Authorised Share Capital		
20,00,000 Equity Shares of Rs 10 each	200.00	200.00
40,00,000 Preference Share of Rs 10 each	400.00	400.00
	600.00	600.00
(II) Equity Shares - Issued, Subscribed and Paid up		
50,000 Equity Shares of Rs 10 each	5.00	5.00
	5.00	5.00

(III) Reconciliation of Number of shares
Equity Share

Particular	As at 31st March, 2023		As at 31st March, 2022	
	No. of Share	Amount	No. of Share	Amount
At the beginning of the year	50,000	500,000	50,000	500,000
Add: Issued during the year	-	-	-	-
At the end of the year	50,000	500,000	50,000	500,000

(IV) Equity shares held by each shareholder holding more than 5% equity shares in the Company are as follows:

Particular	As at 31st March, 2023		As at 31st March, 2022	
	No. of share	% of holding	No. of share	% of holding
M/s. Valecha Engineering Ltd. (and it's nominee)	50,000	100	50,000	100
	50,000	100	50,000	100

(V) Terms / Rights attached to Shares:

- (a) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.
- (b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(VI) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year:

Promoter Name	As at 31.03.2023		As at 31.03.2022		% change
	No of shares	% of Holding	No of shares	% of Holding	
Valecha Engineering Limited	50000	100	50000	100	0.00%
Total	50,000	100	50,000	100	0.00%

Note 6 OTHER EQUITY

	As at 31st March, 2023	As at 31st March, 2022
(I) Surplus / (Deficit) in Statement of Profit & Loss		
Balance Brought Forward	(21,556.30)	(20,554.43)
Other Comprehensive Income/(Loss)	-	-
Surplus / (Deficit) in Statement of Profit & Loss during the Year	(1,001.66)	(1,001.87)
	-	-
Transaction with owners in their capacity as owners		
Corporate Guarantee Fees	292.96	292.96
	-	-
Total	(22,265.00)	(21,263.34)

Note No. 7 Short-Term Borrowings

	As at 31st March, 2023	As at 31st March, 2022
Secured		
(I) Term Loan From Yes Bank (Secured)	7,826.04	7,826.04
Nature Of Security		
Term Loan is secured by pledge of shares and immovable property of Valecha Engineering Limited		
Terms of Repayment		
Term Loan I - Repayable in 18 quarterly installment with the last installment due in March 2023. Rate of Interest @ 11.50%		
Term Loan II - Repayable in 18 quarterly installment with the last installment due in March 2023. Rate of Interest @ 11.05%		

The Company has defaulted in repayment of loans and interests as at & for the period ended 31st Mar 2023

Particulars	Period of Default	Amount of Default as at 31st Mar 2023		
		Principal	Interest	Total
YES BANK	30 to 1490 Days	7,826.04	6,043.52	13,869.56
		As at 31st Mar 2023		As at 31st March, 2022
(II) Loans & Advances from related parties				
Valecha Engineering Ltd	13,767.93		13,771.08	
Valecha Engineering Ltd (Valecha LM Toll Pvt Ltd)	23.00		23.00	
Valecha Investment Pvt Ltd.	15.03	13,805.96	15.03	13,809.11
Total		21,632.00		21,635.15

Note No. 8 Other Current Liabilities

	As at 31st Mar 2023		As at 31st March, 2022	
Other Payable				
1) Statutory remittance	0.19	-	0.15	-
2) Interest Payable	6,043.52	-	5,040.30	-
6) Others	2.90	6,046.60	2.68	5,043.12
Total		6,046.60		5,043.12



Valecha Infrastructure Limited**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st Mar 2023**

		(Rs. In Lakhs)	
Note 9	Other Income	31st March, 2023	31st March, 2022
1)	Consultancy Fees Received	3.50	3.50
2)	Interest Received	-	-
3)	Other Income	-	-
Total		3.50	3.50
		31st March, 2023	31st March, 2022
Note 10	Finance costs		
	Interest Expense - On Borrowing	1,003.22	1,003.22
	Other Expenses on Borrowing	-	-
Total		1,003.22	1,003.22
		31st March, 2023	31st March, 2022
Note 11	Other expenses		
1)	Payment to Auditors	0.35	0.35
2)	Corporate Guarantee Fees Exp	-	-
3)	Other Expenses	0.39	0.59
Total		0.74	0.95



12 Financial Ratios

Sr. No.	Particulars	Note reference	March 31, 2023	March 31, 2022	% Variance	Reasons of variance [if change is more than 25%]
1	Current Ratio	a	0.13	0.13	-3.65%	
2	Debt – Equity Ratio	b	(0.97)	(1.02)	-4.51%	
3	Debt Service Coverage Ratio	c	NA	NA	NA	
4	Return on Equity (ROE):	d	-4.60%	-4.83%	4.62%	
5	Inventory Turnover Ratio	e	NA	NA	NA	
6	Trade receivables turnover ratio	f	NA	NA	NA	
7	Trade payables turnover ratio	g	NA	NA	NA	
8	Net profit ratio	h	(286.19)	(286.25)	-0.02%	
9	Net capital turnover ratio (in times)	i	(0.00)	(0.00)	-4.15%	
10	Return on capital employed (%)	j	(0.00)	0.00	169.12%	Increase in return on Capital Employed due to reduction in Losses
11	Return on investment (ROI)	k	NA	NA	NA	

Note :

- a Current ratio (in times) : Current Assets / Current liabilities
- b Debt - Equity ratio : Total Debt divided by Equity
- c Debt Service Coverage Ratio (DSCR) (no. of times) : Profit before interest, divided by Interest expense.
- d ROE : Net Profits after taxes – Preference Dividend (if any) / Average Shareholder's Equity
- e Inventory turnover ratio: Revenue from operations / Average Inventory
- f Trade receivable turnover ratio: Revenue from operations / Average (Trade receivable and contract assets)
- g Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables
- h Net profit margin (in %) : profit after tax / Revenue from operation
- i Net capital turnover ratio = Net Sales / Working Capital
- j ROCE : Earning before interest and taxes / Capital Employed (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)
- k Return on investment (ROI) : Profit after tax / Total Equity



Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2023

NOTES TO THE FINANCIAL STATEMENTS

13 Significant Accounting Policies:

A) The Company is engaged in business of developing, maintaining and operating of infrastructure facility. The commercial activity of the company is yet to commence.

B) Basis of Preparation of Accounts:

i. These financial statements have been prepared to comply with the Indian Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

ii. The financial statements are prepared on accrual basis under the cost convention.

C) Cash Flow Statement:

Cash flows are reported using the indirect method whereby profit/ (loss) before extraordinary items and tax 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 the available information.

D) Revenue Recognition:

Revenue from services is recognized when services are rendered and related costs are incurred.

E) Investments:

Current investments are carried individually at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

F) Borrowing Cost:

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

G) Provision for Current and Deferred Tax:

Current Tax:

Current Tax is the amount of Tax Payable on the taxable income for the year as determined in accordance with provision of income tax act 1961.

Deferred Tax Provision:

Deferred Tax charge or credit is recognized on timing differences; being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that Sufficient future taxable income will be available against which such deferred tax assets can be realized.

H) Provisions and Contingencies:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes.

I) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is only indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of asset exceeds the recoverable amount. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.



14 **Remuneration to Auditor:** (Rs. In Lacs)

Sl. No.	Detail	2022-23	2021-22
1	Audit Fee	0.30	0.30
2	GST/ST & Other Services	0.05	0.05
	Total	0.35	0.35

15 **Segment reporting:**

There is no segment to be reported hence the IND AS - 108 is not applicable.

16 **Related Party Disclosure:**

A) **The Name of related parties with the nature of relationship :**

Promoters & Associates	Relationship
Valecha Engineering Limited	Holding Company
Valecha LM Toll Pvt. Ltd. (in Liquidation)	Subsidiary Company (74% Holding)
Valecha Badwani Sendhwa Tollways	Subsidiary Company (74% Holding)
Valecha Kachchh Toll Roads Ltd.	Associates
Valecha Power Ltd.	Associates
Gopaldas Vasudev Construction Pvt. Ltd.	Associates
Valecha Investment Pvt. Ltd.	Associates
Valecha Reality Ltd.	Associates

Key Management Personnel	Relationship
Mr. Vijaykumar Himatlal Modi	Director
Mr. Anil Sakharam Korpe	Director
Ms. Lalna Bharat Takekar	Director

Transaction with the Related Parties	(Rs. In Lakhs)	
	2022-23	2021-22
B) (i) Transaction with Holding Company		
Valecha Engineering Limited		
Loan Given/Repaid during the year	NIL	NIL
Consultancy Fees Received	3.5	3.5
(ii) Transaction with Subsidiary		
Valecha Badwani Sendhwa Tollways Ltd		
Loan (taken) during the year	0.98	0.45
(iii) Transaction with Associate		
(a) Valecha Kachchh Toll Roads Ltd.		
Loan Given during the year	Nil	Nil
(b) Valecha Power Ltd		
(b) Loan Given during the year	Nil	Nil
(C) Gopaldas Vasudev Construction Pvt		
Loan Given during the year	Nil	Nil
Loan Received during the year	0.70	4.28
(d) Valecha Investment Pvt Ltd		
Loan Received during the year	Nil	Nil
(iv) Transaction with Other Person		
Mobilization Advances Received	Nil	Nil



C) Balances Outstanding at the end of the year**(Rs. In Lakhs)**

Nature of Transaction	2022-2023	2021-2022
Equity Capital by Holding Company – Valecha engineering Ltd	5.00	5.00
Equity Capital in Subsidiary Company - Valecha Badwani Sendhwa Tollways Ltd	370.00	370.00
Equity Capital in Associate Company - Gopaldas Vasudev Construction Ltd	0.35	0.35
Equity Capital in Associate Company - Valecha Reality Limited	2.49	2.49
Investment in CCD in Subsidiary Company - Valecha Badwani Sendhwa Tollways Ltd	1480.00	1480.00
Advance Outstanding Receivable	3562.28	3563.96
Advance Outstanding Payable	13805.96	13809.10

D) Key Management Personnel – Transaction Nil

Note: - Particulars and Related Party is provided by the management and relied upon by the auditor.

17 Earnings per Share (EPS):

	31.03.2023	31.03.2022
Net Profit attributable to equity shareholders	(1,001.66)	(1,001.87)
Weighted average number of shares for Basic EPS	50,000	50,000
Earnings Per share (Per Equity share of Rs. 10 each)	(2003.32)	(2004.73)

- 18** During the year Company has incurred substantial losses mainly due to Interest amount booked on yes bank Term loan. The Company has made strategic investments in its subsidiary Valecha Badwani Sendhwa Tollways Limited and expects improved performance in future, which will in turn increase the profitability of the Company. Hence the financial statements have been prepared assuming that the Company will continue as going concern. No adjustments are, hence, made in financial statement that might result from the outcome of this uncertainty.
- 19** Hon'ble, NCLT, Mumbai, passed an order dated 21.10.2022 in the Parent Company Petition no. CP (IB) No.594/MB-IV/2021 filed by STATE BANK OF INDIA, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against Valecha Engineering Limited (The Parent Company), Corporate Debtor/Respondent, for initiating Corporate Insolvency Resolution Process (CIRP).
Mr. Anurag Kumar Sinha, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IP-P00427/2017-18/10750] has been appointed as Interim Resolution Professional (Later on confirmed as RP by COC), to carry out the functions as mentioned under I&B Code for running of CIRP of the Company, filed by the Financial Creditor /Petitioner State Bank of India.
Accordingly, financial statements of VIL has been prepared and no adjustments, if any, have been made.
- 20** Valecha LM Toll Private Limited (VLMTPL), an erstwhile step down subsidiary of the Company, has been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. The asset of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL.
- 21** No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder
- 22** **Contingent Liability:**
There is no contingent Liabilities as on the date of balance sheet.
- 23** The Company has defaulted in repayment of Term loan from Yes Bank Ltd. (principal Rs.78260.41 Lakhs and interest amount including Penal interest Rs. 3538.13 Lakhs outstanding as on March 31, 2023)



- 24 In the opinion of Board of Directors, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. Subject to the notes the provision for all liabilities is adequate and not in excess of the amount considered reasonably necessary. There are no contingent liabilities other than those stated in the notes.
- 25 Balances of certain Debtors, Creditors, Loans & Advances are in the process of confirmation / reconciliation, adjustments, if any, will be accounted for as and when reconciled / confirmed. Although these accounts are reconciled in the usual course of business as and when transactions are made, management is of the opinion that there is no adverse adjustment/reconciliation in these accounts.
- 26 **Disclosures Under The Micro, Small And Medium Enterprises Development Act, 2006**
Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments during the years ended March 31, 2022 and March 31, 2021. The above is based on the information available with the Company which has been relied upon by the auditors.
- 27 The Company has not revalued any Property, Plant & Equipment nor any Intangible assets.
- 28 The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- 29 The Company does not hold any intangible assets under development and accordingly, no ageing nor completion schedule is provided.
- 30 The Company has granted loans to promoters, directors, key managerial persons and related parties as defined under Companies Act, 2013. (Refer Note. No. 3)
- 31 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 32 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 33 The Company does not have borrowings from banks or financial institutions against security of current assets and the account of the company has been declared NPA also no corespondence or communication is ongoing with the banks
- 34 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 35 The Company does not have any transactions with companies struck off.



- 36 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 37 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 38 The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 39 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 40 The Company has not entered into any scheme of arrangement.
- 41 **Corporate Social Responsibility (CSR)**
As per the section 135 of the Act, the Company is not required to spend any amount towards CSR based on profitability of the Company, against the same no amount has been spent by the Company.
- 42 The previous years' figures have been reworked, regrouped, rearranged, and reclassified wherever necessary.

For Rajratan Kothari Associates
Chartered Accountants
Firm Registration No: 113704W

Rajratan M Kothari
Membership No.: 032428
Proprietor
Place : Mumbai.
Date : 20th July 2023

For and on behalf of the Board



Vijaykumar Himatlal Modi
(Director)
DIN : 01224842



Anil Sakharan Korpe
(Director)
DIN : 07543339



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Date: 20th July, 2023

Rajratan Kothari Associates,
Chartered Accountants
C/2 Samadhan Bldg.
L T Road, Mulund East,
Mumbai – 400 013

Dear Sirs,

Re: Audit of Standalone Financial Statements of Valecha Infrastructure Limited as at and for the year ended March 31, 2023

This representation letter is provided in connection with your audit of the financial statements of Valecha Infrastructure Limited for the year ended 31st March, 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Company as of 31st March 2023, the results of operations for the year then ended.

We acknowledge our responsibility for preparation of financial statements (including adequacy of internal financial controls and its effectiveness) in accordance with the requirements of the Companies Act, 2013 ("the Act") and recognized accounting policies and practices, including the Accounting Standards notified under Section 133 of the Act and the Standards on Auditing issued by the Institute of Chartered Accountants of India and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the Act.

We understand that your examination included such tests and procedures, as you considered necessary for the purpose of expressing an opinion on the financial statements. We also understand that such tests and procedures would not necessarily detect fraud, irregularities or errors, should any exist. We acknowledge that control over and responsibility for the prevention and detection of fraud, irregularities and errors remains with us.

We confirm, to the best of our knowledge and belief, the following representations:

A. FINANCIAL STATEMENTS AND FINANCIAL RECORDS

Management's Responsibilities

1. We recognize that, as members of management of the Company, we are responsible for the fair presentation of its financial statements. We have fulfilled our responsibilities for the preparation and presentation of the financial statements of financial position, results of operations and cash flows, as set out in the terms of audit engagement and, in particular, the financial statements are fairly presented in conformity with applicable Indian Accounting Standard (Ind AS) applied on a consistent basis. We



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also believe that we have made all the required disclosures in Notes to the Financial Statements. We have made available to your representatives all financial records and related data.

The financial statements are free of material misstatements, including omissions. The operations have been conducted based on the delegation of power as approved by the Board of Directors. All the money received / paid has been recorded during the course of the business and no amount is left unrecorded or is wrongly entered.

2. The Company's Board of Directors have fulfilled their responsibility 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 and cash flows of the Company - financial statements in accordance with *Ind AS*, and are free of material misstatements, including omissions. We have prepared the - financial statements and the same have been approved by the Board of Directors.

As members of management of the Company, we believe that the Company's internal financial controls have been adequately designed, implemented, maintained and were operating effectively to enable the preparation and presentation of accurate and complete financial statements in accordance with *Ind AS* that are free from material misstatement, whether due to fraud or error.

3. There is no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. FRAUD

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

2. We have disclosed to you the results of our assessment of the risk that the - financial statements are not materially misstated as no fraud has occurred.

3. To the best of our knowledge, no fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting has taken place. In addition, we confirm that no fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements has occurred. We further confirm as to non-existence of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the - financial statements or otherwise affect the financial reporting of the Company.

4. There were no instances of fraud resulting in a material misstatement to the company's financial statements and any other fraud which result in a material misstatement to the company's financial statements involving senior management or management or other employees who have a significant role in the company's internal financial controls.



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5. We are aware that, in accordance with Section 143(12) of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014, the Board or the Audit Committee is required to consider the report of the auditor and respond on the matters reported within 45 days of the date of the report of the auditor. We have not withheld from you any relevant information that we are aware of and would have an implication on the process of your responsibilities to report fraud under the statute.

C. COMPLIANCE WITH LAWS AND REGULATIONS

1. There are no actual or suspected non-compliance with laws and regulations which can have a material impact in the preparation of the financial statements.
2. There are no known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance or deficiencies in financial reporting practices.
3. To the best of our knowledge and belief, the Company has not made any improper payment or payments which are illegal or against any regulations.
4. The Company has complied with all aspects of contractual agreements, which could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

D. INFORMATION PROVIDED AND COMPLETENESS OF INFORMATION AND TRANSACTIONS

We have provided you with:

- Access to all information, on a timely basis, of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
- Additional information that you have requested us for the purpose of the audit and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence as well as to our affiliates, records, their personnel and their auditors for purposes of the audit of financial statements; and
- All the required support to discharge your duties as auditors.



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E. ACCOUNTING POLICIES

1. The accounting policies and practices which are material or critical in determining the results of operations for the year or financial position are disclosed in the financial statements. These accounting policies are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on accrual basis.
2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

F. INTERNAL FINANCIAL CONTROL STRUCTURE

1. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
2. As required under section 134(5) of the Act, we are responsible for establishing and maintaining adequate and effective internal financial controls and the preparation of the financial statements as set out in the terms of the Audit Engagement letter dated 6th November, 2020 and, in particular, the assertions to you on the internal financial controls.
3. Considering the nature of business of the company no sizable purchase of inventory or fixed assets are required. Hence financial control relating to abovementioned activities not applicable.
4. We have performed an evaluation and made an assessment of the adequacy and effectiveness of the company's internal financial controls for the year ended March 31, 2022. Those evaluations do not include the procedures performed by you during the audit of internal financial controls over financial reporting as part of the basis for our assessment of the effectiveness of internal financial controls.
5. There are no changes/deficiencies in the design or operation of internal controls over financial reporting identified as part of our assessment.

G. REGISTERS, MINUTES AND CONTRACTS

1. The Minutes of the meetings of the Shareholders and Directors and the Registers required to be maintained under the Companies Act are complete and authentic.
2. We have made available to you all significant registers, contracts and agreements. Further we have made available to you all minutes of the meetings of shareholders, directors and committees of directors held through the April 1, 2022 to Mar 31, 2023 or summaries of actions of recent meetings for which minutes have not yet been prepared.



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The details of meetings held during the period under audit are:

Date	Type of Meeting
30-05-2022	Board of Directors
06-09-2022	Board of Directors
01-10-2022	Board of Directors
16-12-2022	Board of Directors
15.03.2023	Board of Directors
30.09.2022	Annual General Meeting

3. All matters required to be recorded in the registers and minute books of the Company have been, and are, recorded correctly.

4. We have disclosed to you, and the Company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt. There has been no breach of any covenant attached to the borrowings.

H. OWNERSHIP AND PLEDGING OF ASSETS

The Company does not have assets, hence the title favoring company or pledge of assets are not applicable. The Company does not have any finance lease.

I. RELATED PARTY DISCLSURES

1. We confirm the completeness of the list of related parties and relationships as stated in note 17 of the financial statements, and information provided regarding the identification of such related parties. We have disclosed to you the identity of the Company's related parties and all related parties and related party transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end.



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2. The disclosures made in the financial statements in accordance with Ind AS-24 “Related Party Disclosures” are adequate having regard to the framework under which the financial statements have been drawn. We also confirm the completeness of the information provided regarding the identification of related parties.

3. The Company has obtained necessary approvals in respect of all transactions or contract or arrangement with the related parties, in accordance with relevant provisions of the Companies Act 2013, wherever applicable.

J. FIXED ASSETS AND INTANGIBLES

During the year under reference, the company did not have any fixed assets except preoperative expense pending capitalisation.

There were no outstanding commitments for capital expenditure.

K. INVENTORY

There was no inventory lying as on 31st March 2023 and accordingly, the provisions of Clauses-2 of Para 3 of CARO 2016 in this regard are not applicable to the company.

L. TRADE RECEIVABLES, OTHER ASSETS AND LOANS AND ADVANCES

1. There is no provision required to be made for allowances, losses, returns, discounts, cost and expenses that may be incurred subsequent to the date of the Balance sheet in respect of services rendered prior to that date and for uncollectible/ irrecoverable accounts other than as provided in the financial statements.

2. The Company has not directly or indirectly, advanced any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested, as explained in section 185 of the Act, or given any guarantee or provided any security in connection with any loan taken by him or such other person. As such, provisions of Section 185 & 186 are not applicable to the Company.

3. There is no MAT Credit available in the books of accounts.



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M. SHARE CAPITAL

There are no shareholders holding more than 5% shares in the Company as on the balance sheet date, or at the end of the previous year, except as disclosed in note 5(IV) of the financial statements. The said information has been furnished based on the legal/beneficial ownership of the shares.

N. BORROWINGS

1. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.
2. All the term loans are applied for the purpose for which those were obtained.
3. All the borrowings (both secured and unsecured) have been duly approved by the management.
4. The Company has defaulted in repayment of loan from Yes Bank Ltd. (principal Rs. Rs.78,26,04,125 and interest Rs. 35,38,12,456.89 outstanding as on March 31, 2023), further the Company does not have any debentures issued/outstanding any time during the year.

O. TRADE PAYABLES, STATUTORY AND OTHER LIABILITIES

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. The Company is generally been regular in depositing its undisputed statutory dues to appropriate authorities. There were no undisputed statutory dues outstanding as on 31st March, 2023 for more than six months from the date it became payable except Tax Deducted at Source (Income Tax) of Rs. 18,625/- is unpaid.
3. There are no amounts in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited with the appropriate authorities on account of any dispute.

P. PROVISIONS, CONTINGENT LIABILITIES AND COMMITMENTS

1. The Company has made proper provision of income tax as per the provisions of the Income Tax Act, 1961.
2. There is no outstanding and possible litigation and claims pending to such outflow of economic resources is possible which require disclosure in the financial statements as contingent liability.



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Q. STATEMENT OF PROFIT & LOSS

1. All materials transactions have been adequately disclosed and full provision has been made in the financial statements for all claims and losses of material amount which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet.
2. No personal expenses have been charged to revenue accounts.
4. The transactions of the company which are represented merely by book entries are not prejudicial to the interests of the company.

R. RISK AND UNCERTAINTIES

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

S. INDEPENDENCE AND CONFLICTS OF INTEREST

Based on inquiries we have made of our officers, directors and substantial stakeholders, we confirm that there are not any business relationship between any such officer, director or substantial stakeholders (or any entity for or of which such an officer or director acts in a similar capacity) and Rajratan Kothari Associates.

We are not aware of any reason that Rajratan Kothari Associates would not be considered to be Independent for purposes of the Company's audit.

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

T. GENERAL

1. The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
2. The Company is a holding company of couple of special purpose vehicle companies which have a single special purpose of development of Roads on BOT basis. Therefore, segment reporting is not applicable as per Ind AS 108.



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3. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

4. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the company.

5. There are no pending legal cases against or by the Company, which will have material impact on the financial statements of the Company.

6. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.

U. CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR as required under Section 135 of the Act is not applicable to the company.

V. SUBSEQUENT EVENTS

1. No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the financial statements.

2. No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company.

3. Valecha LM Toll Private Limited (VLMTPL), a subsidiary of the Company has been admitted to National Company Law Tribunal (NCLT) on 29.03.2019 in view of the insolvency petition filed by Axis Bank Limited under section 7 of the Insolvency and Bankruptcy Code, 2016 and consequently Interim Resolution Professional ('IRP') was appointed by the NCLT who was subsequently confirmed and appointed as Resolution Professional by COC. The Company was referred to Hon'ble NCLT, Mumbai for order for liquidation and on 27th October, 2020, the NCLT passed liquidation order of the Company and liquidation process has commenced. Further, as per Regulation 32(a) to Regulation 32(d) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("Liquidation Regulations"), the assets of the Company were e-auctioned on September 17, 2021, Accordingly, the Company has provided for diminution in the value of investment in Equity Shares and Compulsory Convertible Debentures, Rs. 7,40,00,000/- and Rs. 37,31,00,000/- respectively.



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W. GOING CONCERN

During the year Company has incurred substantial losses mainly due to Interest amount booked on yes bank Term loan and recognition of diminution in the value of investment in Equity Shares and Compulsory Convertible Debentures of Valecha LM Toll Pvt. Ltd. The Company has made strategic investments in its subsidiary Valecha Badwani Sendhwa Tollways Limited and expects improved performance in future, which will in turn increase the profitability of the Company. Hence the financial statements have been prepared assuming that the Company will continue as going concern. No adjustments are, hence, made in financial statement that might result from the outcome of this uncertainty.

Hon'ble, NCLT, Mumbai, passed an order dated 21.10.2022 in the Parent Company Petition no. CP (IB) No.594/MB-IV/2021 filed by STATE BANK OF INDIA, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against Valecha Engineering Limited (The Parent Company), Corporate Debtor/Respondent, for initiating Corporate Insolvency Resolution Process (CIRP).

Mr. Anurag Kumar Sinha, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IP-P00427/2017-18/10750] has been appointed as Interim Resolution Professional (Later on confirmed as RP by COC), to carry out the functions as mentioned under I&B Code for running of CIRP of the Company, filed by the Financial Creditor /Petitioner State Bank of India.

Accordingly, financial statements of VIL has been prepared and no adjustments, if any, have been made.

Truly Yours,

For Valecha Infrastructure Limited



Vijaykumar Himatlal Modi
Director
(DIN : 01224842)



Anil Sakharam Korpe
Director
(DIN : 07543339)

