

INDEPENDENT AUDITORS' REPORT

To the members of
Valecha Infrastructure Limited ('the Company'),

Report on the Audited Financial Statements

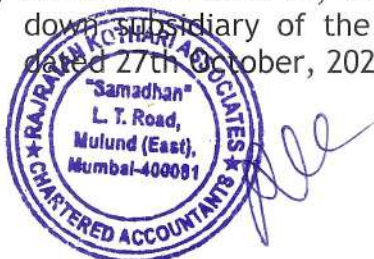
Opinion

We have audited the accompanying financial statements of **M/s. Valecha Infrastructure Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2024, Statement of Profit and Loss and statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss (including other comprehensive income), changes in equity and cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) The company continues to prepare its standalone Financial Statements on going concern basis even though it has accumulated losses of Rs. (2,32,67,78,130/-) (Previous year: Rs (2,22,64,99,611/-)) and a Negative net worth of Rs. (2,32,62,78,130/-) (Previous year: Negative net worth of Rs. (2,22,59,99,611/-)). During the year ended March 31, 2024, the Company incurred a net loss of (Rs. 10,02,78,520/-) (Previous year: net loss of (Rs. 10,01,65,990/-)). As stated in Note 18, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Further it had continued defaulted in repayment of its financial obligation including interest as stated in Note 23 of the standalone financial statement. Further we are unable to comment on the recoverability of the strategic investment made in subsidiaries.
- b) As stated in Note 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.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's board of directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to



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provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. We conclude that a material uncertainty exists, accordingly we draw attention in our auditor's report to the related disclosures in the financial statements (Refer Note 35 and 36 of Financial Statement) and our report is not modified in respect of this matter. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the



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matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note No.19 of standalone financial statement regarding assessment of going concern of parent company i.e. Valecha Engineering Limited, where company has obtained unsecured loan of Rs. 137.90 crores and paid net advances of Rs. 16.02 lakhs towards EPC contract to its parent company resulting into net liability Rs. 137.74 crores.

Without qualifying our opinion, we draw attention to Note No. 25 of financial statement regarding non-reconciliation / non-confirmation of balances of certain debtors, creditors, Loans and Advances, impact whereof presently cannot be commented.

We further report that the loss for the year and balance in the statement of profit and loss are without considering matter described in the first paragraph of Emphasis of Matter, the effects of which could not be determined.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- iii. The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.



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- v. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;
- a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 22 to the Standalone Financial Statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d)
1. The management has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 2. The management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



RAJRATAN M. KOTHARI

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3. Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- e) The Company has not declared or paid any dividend during the year.
- f) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable for the financial year ended 31st March, 2024 but since the company is not maintained books of account using accounting software which has a feature of recording audit trail (edit log) the reporting for the same under Rule 11(g) cannot be done by us.

For RAJRATAN KOTHARI ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration No: 113704W



Rajratan Kothari

RAJRATAN KOTHARI

Proprietor

Membership No: 032428

UDIN: 24032428BKFCXJ6491

Place: Mumbai
Dated: 28th May, 2024.

RAJRATAN KOTHARI ASSOCIATES
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Annexure "A" to the Independent Auditors Report

(Referred to in paragraph 1 under heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Valecha Infrastructure Limited ('the Company')

- i. Based on the records examined by us and information and explanations given to us the Company does not have fixed assets. Accordingly, the provisions of clause 3(i)(a), 3(i)(b), 3(i)(c), 3(i)(d) and 3(i)(e) of the said Order are not applicable to the Company.
- ii. Based on the records examined by us and information and explanations given to us the Company has does not hold any inventory and accordingly the provisions of clause 3(ii)(a) and 3(ii)(b) of the said order is not applicable to the Company.
- iii. Based on the records examined by us and information and explanations given to us:
 - a) On the basis of examination of records of the Company, during the year the Company has granted loans to various companies. The detail of aggregate amount of loans granted during the year and balance outstanding as at the balance sheet date of such loans is as under.

Particulars	Amount (Rs. In lakhs)
Aggregate amount granted/provided during the year	
- Subsidiaries	Nil
Balance outstanding as at balance sheet date in respect of the above case	
- Subsidiaries	3562.49

- b) According to the information and explanation given to us, and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company (balance outstanding as at balance sheet date Rs.3562.49 lakhs) are prejudicial to the company's interest on account of them being interest free and without adequate security.
- c) The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayment or receipt of the principal amount and the interest are regular.
- d) The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayment or receipt of the principal amount and the interest are regular.



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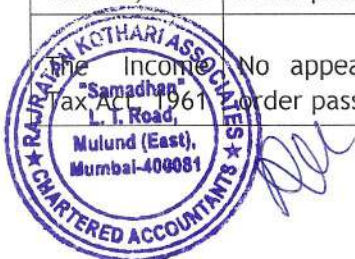
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- e) Since the schedule of repayment has not been stipulated, the provisions of paragraph 3 (iii)(e) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 the Companies Act, 2013 and Rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any of the services rendered by the Company and accordingly paragraph 3(vi) of the Order are not applicable.
- vii. Based on the records examined by us and according to the information and explanations given to us, 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 of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income Tax, Service Tax, Goods and Service Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales Tax, Wealth Tax, Duty of Custom, Duty of Excise and Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Service tax, CESS and other material statutory dues were outstanding as at the yearend for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute are given below

Nature of Statutes	Forum where dispute is pending	Period to which the amount relates	Total Demand	Total Amount paid under protest
The Income Tax Act, 1961	No appeal filed against order passed by AO	AY 2017-18	Rs. 15,946	Rs.0
The Income Tax Act, 1961	No appeal filed against order passed by AO	AY 2018-19	Rs. 83,23,376	Rs.0



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viii. According to information and explanation given to us and representation given by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. Based on the Information and explanation provided to us:

a) In our opinion and according to the information and explanations given to us, the Company has following default existed in the repayment of dues to the financial institutions or banks or any government or any debenture holders during the year.

Particular	Principal Default amount Rs.	Interest Outstanding Rs.	Period of Default
Yes Bank	78,26,04,125	70,46,69,672	Default continues for more than 5 years

b) According to the information and explanations given to us and on the basis of the audit procedures, we report that the Company has not been declared as wilful defaulter by banks, financial institution or government or any government authority.

c) In our opinion and information and explanation given to us and based on the examination of records of the Company, the Company has not raised term loans from any lender and hence reporting under clause ix(c) of paragraph 3 of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associates companies. Hence the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x. Based on the Information and explanation provided to us:

a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer / further public offer (including debt instruments) and has not taken any term loan during the year. Accordingly, paragraph 3(x)(i) of the order is not applicable.



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- b) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(x)(ii) of the Order is not applicable.
- xi. Based on the Information and explanation provided to us:
- a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employee has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) The company is a private limited company and hence it is not required to establish whistle-blower mechanism and accordingly provisions of paragraph 3(xi)(c) is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us, the company has no internal audit system.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. Based on the Information and explanation provided to us:
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



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- b) On the basis of examination of records and according to the information and explanation given to us by the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities hence the reporting requirements under clause xvi(b) of paragraph 3 of the Order is not applicable.
- c) In our opinion and according to the information and explanation given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- d) As represented by the management, the Group does not have more than one Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

- xvii. Based on the examination of records, the Company has cash losses of Rs. 1002.78 lakhs in the financial year and Rs. 1001.66 lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 12 to the financial statement, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, indicate that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. Based on the examination of records of the Company and information and explanations given to us, due to losses incurred, the conditions and requirements of section 135 of the act is not applicable to the company hence, paragraph 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

For RAJRATAN KOTHARI ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration No: 113704W



Rajratan Kothari

RAJRATAN KOTHARI

Proprietor

Membership No: 032428

UDIN: 24032428BKFCXJ6491

Place: Mumbai

Dated: 28th May, 2024.

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Annexure "B" referred to in paragraph 2(vi) under the heading "Report on Other Legal and Regulatory Requirements" 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")

To the Members of M/s. Valecha Infrastructure Limited

We have audited the internal financial controls over financial reporting of M/s. Valecha Infrastructure Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing



Rajratan Kothari

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2024:

1. The policies, procedures and overall internal controls needs to be strengthened in order to provide proper evidences regarding recoverability and accounting of incomes, provision of payables / liabilities and statutory compliances. We are unable to ascertain its impact, if any, on the statements in respect of the above matters.



RAJRATAN M. KOTHARI

B.COM. F.C.A.

RAJRATAN KOTHARI ASSOCIATES
CHARTERED ACCOUNTANTS

2ND FLOOR, SAMADHAN, L.T.ROAD,
MULUND (EAST), MUMBAI - 400 081

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A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, 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, 2024, 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 RAJRATAN KOTHARI ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 113704W



Rajratan Kothari
RAJRATAN KOTHARI
Proprietor
Membership No: 032428
UDIN: 24032428BKFCXJ6491

Place: Mumbai
Dated: 28th May, 2024.

Valecha Infrastructure Limited

Balance Sheet as at 31st Mar 2024

Particulars	Note No	(Rs. In Lakhs)	
		As at 31st March, 2024	As at 31st March, 2023
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	0.40
(b) Loans	3	3,562.49	3,562.28
(c) Other Current Assets	4	3.08	3.08
Total current Assets		3,565.97	3,565.76
TOTAL ASSETS		5,418.81	5,418.60
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	5	5.00	5.00
(b) Other Equity	6	(23,267.78)	(22,265.00)
Total Equity		(23,262.78)	(22,260.00)
2 Non Current Liabilities			
(a) Financial Liabilities			
Borrowing		-	-
Total Non-Current Liabilities		-	-
3 Current liabilities			
Financial Liabilities			
(a) Borrowing	7	21,632.00	21,632.00
(b) Other current Liabilities	8	7,049.59	6,046.60
Total Current Liabilities		28,681.59	27,678.60
TOTAL EQUITY & LIABILITIES		5,418.81	5,418.60

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

Rajratan M Kothari

Rajratan M Kothari

Proprietor

Membership No : 032428

Place : Mumbai

Date : 28th May, 2024



For and on behalf of the Board

Vijaykumar Himatlal Modi

Vijaykumar Himatlal Modi
(Director)

DIN : 01224842

Anil Sakharam Korpe

Anil Sakharam Korpe
(Director)

DIN : 07543339

Valecha Infrastructure Limited

Statement of Profit and Loss for the Period Ended 31st March 2024

(Rs. In Lakhs)

Particulars	Note No	(Rs. In Lakhs)	
		As at 31st March, 2024	As at 31st March, 2023
I. Revenue from operations		-	-
II. Other income	9	0.75	3.50
III. Total Revenue (I + II)		0.75	3.50
IV. Expenses:			
Employees Benefit Expenses		-	1.20
Finance costs	10	1,003.18	1,003.22
Other expenses	11	0.35	0.74
Total expenses		1,003.54	1,005.16
V. Loss before exceptional and extraordinary items and tax (III-IV)		(1,002.79)	(1,001.66)
VI. Exceptional items			
Loss on diminution in value of Investment		-	-
Total Exceptional items		-	-
VII. Loss before extraordinary items and tax (V - VI)		(1,002.79)	(1,001.66)
VIII. Extraordinary Items		-	-
IX. Loss before tax (VII- VIII)		(1,002.79)	(1,001.66)
X Tax expense:			
(1) Current tax			
(2) Deferred tax			
XI Loss for the period		(1,002.79)	(1,001.66)
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)		(1,002.79)	(1,001.66)
XII Earnings per equity share:			
(1) Basic		(2,005.57)	(2,003.32)
(2) Diluted		(2,005.57)	(2,003.32)

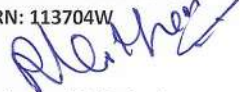
The notes form an integral part of these financial statements

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

FRN: 113704W


Rajratan M Kothari

Proprietor

Membership No : 032428

Place : Mumbai

Date : 28th May, 2024



For and on behalf of the Board



Vijaykumar Himatlal Modi

(Director)

DIN : 01224842



Anil Sakharam Korpe

(Director)

DIN : 07543339

Valecha Infrastructure Limited

Cash Flow Statement for the Year Ended 31st March 2024

(Rs. In Lakhs)

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
A Cash flow from Operating Activity		
Loss Before Tax and Extraordinary Item	(1,002.79)	(1,001.66)
Add / (Deduct) Adjustment for :		
Loss on diminution in value of investments	-	-
Diminution In The Value Of Investment	-	-
Impairment of CWIP	-	-
Interest Paid	1,003.18	1,003.22
Operating Profit/(Loss) before working capital changes	0.40	1.56
Increase in Current Liabilities	1,002.99	1,003.48
(Increase)/Decrease in Short Term Loans and Advances	(0.21)	1.69
(Increase)/Decrease in Other Current Assets	-	(0.35)
Trade and other Receivable	-	-
Trade and other Payables	-	-
Net Cash Flow from Operating Activity	1,003.18	1,006.37
B Cash Flow from Investing Activity		
Purchase of Investments	-	-
Net Cash flow From Investing Activity	-	-
C. Cash Flow from Financing Activities		
Increase in Other Equity	-	-
Interest Paid	(1,003.18)	(1,003.22)
Proceeds from/(Repayment of) Short term borrowing	-	(3.15)
Proceeds from/(Repayment of) Long term borrowing	-	-
Net Cash From Financing Activities	(1,003.18)	(1,006.37)
Net Increase/(Decrease) in Cash and Cash Equivalents	-	0.00
Opening Balance of Cash and Cash Equivalents	0.40	0.39
Closing Balance of Cash and Cash Equivalents	0.40	0.40

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 : 28th May, 2024



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, 2023			5.00
Changes in equity share capital during the year			-
Balance as at March 31, 2024			5.00

B. Other Equity		(Rs. In Lakhs)	
Particulars	Retained Earnings	Corporate Guarantee	Total
Balance as at March 31, 2023	(22,557.96)	292.96	(22,265.00)
Profit for the year	(1,002.79)	-	(1,002.79)
Other comprehensive income	-	-	-
Balance as at March 31, 2024	(23,560.74)	292.96	(23,267.78)

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

FRN: 113704W



Rajratan M Kothari

Membership No : 032428

Proprietor

Place : Mumbai.

Date : 28th May, 2024



For and on behalf of the Board



Vijaykumar Himatlal Modi

(Director)

DIN : 01224842





Anil Sakharam Korpe

(Director)

DIN : 07543339

Note 1 Investment	(Rs. In Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
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, 2024	As at 31st March, 2023
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	0.40

Note 3 Loans and Advance to related parties	As at 31st March, 2024	As at 31st March, 2023
Loans and Advance to related parties	3,562.49	3,562.28
Total	3,562.49	3,562.28

Type of Borrower (Loans & Advances to Related Parties) Agreement does not specify any terms or period of repayment	As at 31.03.2024	
	Outstanding amount of loan or advance in the nature of loan	% to the total Loans and Advances in the nature of loans
Promoters	16.78	0.47%
Directors	-	0.00%
KMPs	-	0.00%
Related Parties	3,545.72	99.53%
Total	3,562.49	100.00%

Type of Borrower (Loans & Advances to Related Parties) Agreement does not specify any terms or period of repayment	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%

Note 4 Other Current Assets	As at 31st March, 2024	As at 31st March, 2023
TDS Receivable	3.08	3.08
Total	3.08	3.08



Valecha Infrastructure Limited
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2024

(Rs. In Lakhs)		
Note 5	SHARE CAPITAL	
	As at 31st March, 2024	As at 31st March, 2023
(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, 2024		As at 31st March, 2023	
	No. of Share	Amount	No. of Share	Amount
At the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Issued during the year	-	-	-	-
At the end of the year	50,000	5,00,000	50,000	5,00,000

(IV) Equity shares held by each shareholder holding more than 5% equity shares in the Company are as follows:				
Particular	As at 31st March, 2024		As at 31st March, 2023	
	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 31.03.2024		As at 31.03.2023		% 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, 2024		As at 31st March, 2023	
(I) Surplus / (Deficit) in Statement of Profit & Loss				
Balance Brought Forward	(22,557.96)		(21,556.30)	
Other Comprehensive Income/(Loss)	-		-	
Surplus / (Deficit) in Statement of Profit & Loss during the Year	(1,002.79)	(23,560.74)	(1,001.66)	(22,557.96)
Transaction with owners in their capacity as owners				
Corporate Guarantee Fees	-	292.96	-	292.96
	-	-	-	-
Total		(23,267.78)		(22,265.00)

Note No. 7 Short-Term Borrowings	As at 31st March, 2024	As at 31st March, 2023
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 was due in March 2021. Rate of Interest @ 11.50%		
Term Loan II - Repayable in 18 quarterly installment with the last installment was due in March 2021. Rate of Interest @ 11.05%		

The Company has defaulted in repayment of loans and interests as at & for the period ended 31st Mar 2024

Particulars	Period of Default	Amount of Default as at 31st Mar 2024		
		Principal	Interest	Total
YES BANK	30 to 2222 Days	7,826.04	7,046.70	14,872.74
(II) Loans & Advances from related parties				
		As at 31st Mar 2024		As at 31st March, 2023
Valecha Engineering Ltd	13,767.93		13,767.93	
Valecha Engineering Ltd (Valecha LM Toll Pvt Ltd)	23.00		23.00	
Valecha Investment Pvt Ltd.	15.03	13,805.96	15.03	13,805.96
Total			21,632.00	21,632.00

Note No. 8 Other Current Liabilities	As at 31st Mar 2024		As at 31st March, 2023	
Other Payable				
1) Statutory remittance	-	-	0.19	-
2) Interest Payable	7,046.70	-	6,043.52	-
6) Others	2.90	7,049.59	2.90	6,046.60
Total		7,049.59		6,046.60



Valecha Infrastructure Limited**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2024****(Rs. In Lakhs)**

Note 9	Other Income	31st March, 2024	31st March, 2023
1)	Consultancy Fees Received	-	3.50
2)	Reimbursement of Manpower Supply	0.75	
Total		0.75	3.50

Note 10	Finance costs	31st March, 2024	31st March, 2023
	Interest Expense - On Borrowing	1,003.18	1,003.22
	Other Expenses on Borrowing	-	-
Total		1,003.18	1,003.22

Note 11	Other expenses	31st March, 2024	31st March, 2023
1)	Payment to Auditors	0.35	0.35
2)	Corporate Guarantee Fees Exp	-	-
3)	Other Expenses	-	0.39
Total		0.35	0.74



12 Financial Ratios

Sr. No.	Particulars	Note reference	March 31, 2024	March 31, 2023	% Variance	Reasons of variance [If change is more than 25%]
1	Current Ratio	a	0.12	0.13	-3.49%	
2	Debt – Equity Ratio	b	(0.93)	(0.97)	4.31%	
3	Debt Service Coverage Ratio	c	NA	NA		
4	Return on Equity (ROE):	d	(0.04)	(0.05)	4.30%	
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	(1337.05)	(286.19)	-367.19%	Decrease in Net Profit is Due to decrease in Revenue
9	Net capital turnover ratio (in times)	i	(0.00)	(0.00)	-79.43%	Decrease in Net capital turnover is due to Decrease in Net Revenue of Company
10	Return on capital employed (%)	j	(0.00)	(0.00)	-90.22%	Decrease in return on Capital Employed due to Decrease in Net Revenue of Company
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, 2024
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	2023-24	2022-23
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)	
	2023-24	2022-23
B) (i) Transaction with Holding Company		
Valecha Engineering Limited		
Contract services charges Received	0.75	NIL
Consultancy Fees Received	0	3.5
(ii) Transaction with Subsidiary Company		
Valecha Badwani Sendhwa Tollways Ltd		
Loan (taken) during the year	0.54	0.98
(iii) Transaction with Associate Company		
(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 Ltd		
Loan Given during the year	Nil	Nil
Loan Received during the year	Nil	Nil
(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	2023-2024	2022-2023
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	3562.49	3562.28
Advance Outstanding Payable	13805.96	13805.96

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):

	31.03.2024	31.03.2023
Net Profit attributable to equity shareholders	(1002.79)	(1001.66)
Weighted average number of shares for Basic EPS	50,000	50,000
Earnings Per share (Per Equity share of Rs. 10 each)	(2005.57)	(2003.32)

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 order dated 21.10.2022 in 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 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 Insolvency and Bankruptcy Code, 2016 for running the CIRP of the Parent Company.

Resolution Plan submitted by Resolution Applicant for revival of Parent Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.

The accumulated losses incurred in the past years have resulted in erosion of Company's peak Net worth. However, in view of the fact that CIRP has been initiated against the company and since as per provisions of IBC, 2016, as the company is to be kept as a going concern, audited financial results are prepared assuming that it will continue as a going concern.

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. As informed by Liquidator of VLMTPL, all the assets of VLMTPL have been auctioned except Income Tax receivable and security deposit of sales tax 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:

Claim against the Company not acknowledged as debt - Income Tax Demand :

Sr. No	Particular	2023-24	2022-23
1	A.Y. 2018-19	0.16	0.16
	A.Y. 2019-20	83.23	83.23



- 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, 2024)
- 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**
Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act,2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act.

Particulars	As at	31st	31st	31st
	31st March,2024	March,2024	March,2023	March,2023
	₹	₹ in Lakhs	₹	₹ in Lakhs
Principal amount due to suppliers as at the year end	-	-	-	-
Interest accrued, due to suppliers on the above amount, and unpaid as at the year end	-	-	-	-
Payment made to suppliers(other than interest) beyond the appointed date under Section 16 of MSMED	-	-	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-	-	-
Amount of Interest paid by the Company in terms of Section 16 of the MSMED,along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-	-
Amount of Interest due and payable for the period of delay in making the payment,which has been paid but beyond the appointed date during the year, but without adding the interest specified under MSMED Act	-	-	-	-
Amount of Interest accrued and remaining unpaid at the end of each accounting year to suppliers	-	-	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure	-	-	-	-

- 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 coresspondence 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 : 28th May, 2024



For and on behalf of the Board


Vijaykumar Himatlal Modi
(Director)
DIN : 01224842


Anil Sakharam Korpe
(Director)
DIN : 07543339



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Date: 28/05/2024

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, 2024

This representation letter is provided in connection with your audit of the financial statements of Valecha Infrastructure Limited for the year ended 31st March, 2024 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 2024, 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.



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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.

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, 2024. 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, 2023 to Mar 31, 2024 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
30-05-2023	Board of Directors
20-07-2023	Board of Directors
16-12-2024	Board of Directors
15.03.2024	Board of Directors
30.09.2023	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 DISCLOSURES

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.

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.



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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 2024 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.

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.



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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, 2024), 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, 2024 for more than six months from the date it became payable.
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.

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.



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2. No personal expenses have been charged to revenue accounts.
3. 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.
3. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.



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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), 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. As informed by Liquidator of VLMTPL, all the assets of VLMTPL have been auctioned except Income Tax receivable and security deposit of sales tax and the proceeds have been distributed amongst the secured financial creditors of VLMTPL.



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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 order dated 21.10.2022 in 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 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 Insolvency and Bankruptcy Code, 2016 for running the CIRP of the Parent Company.

Resolution Plan submitted by Resolution Applicant for revival of Parent Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.

The accumulated losses incurred in the past years have resulted in erosion of Company's peak Net worth. However, in view of the fact that CIRP has been initiated against the company and since as per provisions of IBC, 2016, as the company is to be kept as a going concern, audited financial results are prepared assuming that it will continue as a going concern.

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)

