

RAJRATAN M. KOTHARI

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CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the members of  
**Valecha Kachchh Toll Roads Limited** ('the Company'),  
(A company under Corporate Insolvency Resolution Process (CIRP), Mumbai)

### Report on the Audited Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of **Valecha Kachchh Toll Roads Limited** ("the Company" under CIRP Process) which comprise the Balance Sheet as at 31st March 2024, Statement of Profit and Loss (including Other Comprehensive Income), statement of Cash flows for the year then ended, statement of change in equity 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, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph below, 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

- As explained in Note No.36, Hon'ble, NCLT, Mumbai, passed order dated 09.10.2023 in Company Petition no. CP (IB) 360(MB)/2023 filed by Canara Bank, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against Valecha Kachchh Toll Roads Limited (VKTRL), Corporate Debtor, for initiating Corporate Insolvency Resolution Process (CIRP).

Mr. Avil Jerome Menezes, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IPP00017/2016-17/10041] has been appointed as Interim Resolution Professional (IRP)(later on confirmed as RP by Committee of Creditors (CoC)), to carry out the functions as mentioned under Insolvency & Bankruptcy Code, 2016 for running the CIRP of the Company. Further Resolution plan for revival of the company has been submitted by Resolution Applicant in reply to the invitation for



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expression of interest dated 05.12.2023 filed by the RP, the resolution plan submitted is under review and yet to be approved by the CoC as on the date of the audit report.

- b) The accumulated losses incurred in the past years have resulted in erosion of Company's peak Net worth, it has accumulated losses of Rs. (14,46,74,99,210/-) (Previous year: Rs (12,65,02,71,961/-)) and a Negative net worth of Rs. (13,78,24,99,210/-) (Previous year: Negative net worth of Rs. (11,96,52,71,961/-)). During the year ended March 31, 2024, the Company incurred a net loss of (Rs. 1,81,72,27,249/-) (Previous year: net loss of (Rs. 5,15,53,28,954/-)). However, in view of the fact that CIRP has been initiated against the Company, the resolution plan submitted is under review and as per provisions of IBC, 2016, the company is to be kept as a going concern, and hence audited financial results are prepared assuming that it will continue as a going concern.

Also it has continued defaulted in repayment of its financial obligation including interest and GSRDC had terminated the contract with the Company on 23.02.2023 and had taken over control of its toll operations. Further GSRDC has also invoked arbitration proceedings vide letter dated 07.03.2023 during the pendency of the conciliation process which the Company has strongly opposed and have asked for completion of conciliation process before invoking of arbitration clause. The Company is also in the process to submit an upward revised Statement of Claims for the period upto and including 23.02.2023. Since GSRDC has taken over the control of toll operations, the Company has provided for impairment loss on Tangible assets, Intangible assets and Intangible assets under development aggregating to Rs.342.68 Crores and shown as "Exceptional Items" under Statement of Profit and Loss during previous year.

As per the communication with Resolution Professional the matter is ongoing at Gujarat High Court and the next date for hearing is scheduled for 05th July 2024. Accordingly we are unable to comment whether the company be able to obtain back the control of the toll operations and receive the claim made by the company, and whether the company will be able to generate any operational income for a period of 12 months from the date of this auditor's report.

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



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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.

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

The Company is under CIRP process vide order dated 09.10.2023 in Company Petition no. CP (IB) 360(MB)/2023 filed by Canara Bank, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) and all management responsibilities vest with Resolution Professional i.e. Mr. Avil Jerome Menezes

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



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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 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.



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- 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 36 and 37 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 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. 34 says that the liability for employees' benefit was not worked out as required under IND AS -19 "Employee Benefit". The consequential impact on the financial statements, if any, as a result of the same is presently not ascertainable.



Without qualifying our opinion, we draw attention to Note No.36 of financial statement regarding assessment of going concern of parent company i.e. Valecha Engineering Limited, the parent company is under CIRP process vide NCLT 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). 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.

Without qualifying our opinion, we draw attention to Note No.24 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 does not have any pending litigations which would impact its financial position;
- 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



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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: 24032428BKFCXQ8431

Place: Mumbai

Dated: 28<sup>th</sup> May, 2024.



**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 Kachchh Toll Roads Limit ('the Company')**

- i. (a) Based on the records examined by us and information and explanations given to us the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Based on the records examined by us and information and explanations given to us the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has carried out the physical verification of fixed assets during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the relevant records provided to us, we report that, the title deeds, comprising all the immovable properties of land and building which are freeholds, are held in the name of the Company as at the balance sheet date.
- (d) Based on the records examined by us and information and explanation given to us by the Company, the Company during the year has not revalued its Property Plant and Equipment (including rights of use assets) or intangible assets, hence, the requirements of the said clause i(d) of paragraph 3 of the Order is not applicable to the Company.
- (e) According to the information and explanation and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. According to the information and explanation and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 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. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, paragraph 3(iii), 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the said Order are not applicable.



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- 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 not been 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.
- (b) 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 except for the following:

Name of the Statute	Nature of the Dues	Amount (Rs.in lakhs)	Period to which the amount relates	Due Date
Goods and Service Act, 2017	Goods and Service Tax ( RCM)	0.23	Jan-2024	20th day from the end of month
Profession Tax Act, 1975	Profession Tax	0.17	Mar-2022 to Feb-2023	30th day from the end of the relevant month
Income Tax Act, 1961	Tax Deducted at source	13.98	FY 21-22	7th day from the end of month
		13.19	FY 22-23	
		0.11	FY 23-24	



(c) 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.

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
Canara Bank	1,83,86,33,437	5,74,25,95,017	Principal is payable since June 2016 and interest is payable since February 2016.
	14,97,25,000	44,47,96,645	
Total A	1,98,83,58,437	6,18,73,91,662	
Indian Overseas Bank	1,50,49,96,382	2,47,96,44,369	Principal is payable since June 2016 and interest is payable since February 2016.
	10,66,36,367	9,25,46,872	
Total B	<b>161,16,32,749</b>	<b>2,57,21,91,242</b>	
Total (A+B)	<b>3,59,99,91,186</b>	<b>8,75,95,82,904</b>	

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 any 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



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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.

- x. Based on the Information and explanation provided to us:
- In our opinion and according to the information and explanations given to us, the Company did 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.
  - 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:
- 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.
  - 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.
  - 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.



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- xiv. In our opinion and based on our examination, Sec 138 of the Act is not applicable to the company and accordingly provisions of paragraph 3(xiv)(a) and 3(xiv)(b) is not applicable to the Company.
- 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:
- The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
  - 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.
  - 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.
  - 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 incurred cash losses of Rs.18172 lakhs in the financial year and Rs.15865 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. 28 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



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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: 24032428BKFCXQ8431

Place: Mumbai  
Date: 28<sup>th</sup> May, 2024.

RAJRATAN M. KOTHARI

B.COM. F.C.A.

RAJRATAN KOTHARI ASSOCIATES  
CHARTERED ACCOUNTANTS

2ND FLOOR, SAMADHAN, L.T.ROAD,  
MULUND (EAST), MUMBAI - 400 081  
PHONE: +91 22 - 21632148  
MOBILE NO.: +91 98210 12212  
Email ID : rajratankothari@gmail.com

**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 Valecha Kachchh Toll Roads Limited

We have audited the internal financial controls over financial reporting of Valecha Kachchh Toll Roads 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



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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 of receivables, valuation of inventories, 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.

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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



A handwritten signature in black ink, appearing to read "Rajratan Kothari".

RAJRATAN KOTHARI

Proprietor

Membership No: 032428

UDIN: 24032428BKFCXQ8431

Place: Mumbai

Dated: 28<sup>th</sup> May, 2024.

## Valecha Kachchh Toll Roads Limited

Balance Sheet as on 31st March 2024

		(Rs. in Lakhs)	
Particulars	Note No.	As on 31st March 2024	As on 31st March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	-	-
(b) Other Intangible assets	3	-	-
(c) Intangible assets under development	3A	-	-
(d) Other non-current assets	4	0.50	0.50
<b>Current assets</b>			
<b>(a) Financial Assets</b>			
(i) Cash and cash equivalents	5	255.22	3.40
(ii) Loans	6	4,128.92	4,178.92
<b>(b) Current Tax Assets (Net)</b>	7	1.42	1.42
<b>(c) Other Current Assets</b>	8	3.85	28.19
<b>Total Assets</b>		<b>4,389.91</b>	<b>4,212.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	9	6,850.00	6,850.00
(b) Other Equity	10	(1,44,674.99)	(1,26,502.72)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings		-	-
<b>(b) Provisions</b>	11	3,175.51	3,175.51
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	12	49,178.18	49,178.18
(ii) Trade payables	13	325.02	322.29
(iii) Other Financial Liabilities	14	89,506.96	71,159.33
<b>(b) Other Current Liabilities</b>	15	29.23	29.83
<b>Total Equity and Liabilities</b>		<b>4,389.91</b>	<b>4,212.42</b>

As per our report of even date  
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

  
Vijay Kumar H Modi  
CFO & CS

  
Anil Sakharam Korpe  
(Director)  
DIN : 07543339



Avil Menezes  
Resolution Professional of Valecha Kachchh Toll Roads Limited  
Reg No. IBBI/IPA-001/IP-P00017/2016-2017/10041  
Authorization for Assignment valid till 27th November 2024

  
Santosh Kumar Patro  
(Director)  
DIN : 07571177

**Valecha Kachchh Toll Roads Limited**  
Statement of Profit & Loss Account For The Year Ended 31st March 2024

Particulars		Note No	(Rs. In Lakhs)	
			Year Ended 31st March, 2024	Year Ended 31st March, 2023
I.	Revenue from Operations		-	639.43
II.	Other Income		0.86	0.37
III.	<b>Total Revenue (I + II)</b>		<b>0.86</b>	<b>639.80</b>
IV.	<b>Expenses:</b>			
	Employee benefits expense	16	-	35.71
	Finance Costs	17	18,143.93	15,782.89
	Depreciation and Amortization Expenses		-	1,482.01
	Impairment of Assets			
	Other Expenses	18	29.21	686.12
	<b>Total Expenses</b>		<b>18,173.14</b>	<b>17,986.73</b>
V.	<b>Loss before exceptional and extraordinary items and tax (III-IV)</b>		<b>(18,172.27)</b>	<b>(17,346.93)</b>
VI.	Exceptional items	36	-	(34,206.36)
VII.	<b>Loss before Tax (V - VI)</b>		<b>(18,172.27)</b>	<b>(51,553.29)</b>
VIII.	<b>Tax Expense:</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX.	<b>Loss for the Period (VII-VIII)</b>		<b>(18,172.27)</b>	<b>(51,553.29)</b>
XII.	<b>Other Comprehensive Income</b>			
	A Items that will not be reclassified to Profit & Loss (net of tax)			
	B Items that will be reclassified to Profit & Loss (net of tax)			
	C Transaction with owners in their capacity as owners			
	Total Comprehensive income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)		<b>(18,172.27)</b>	<b>(51,553.29)</b>
XIII.	<b>Earnings per equity share:</b>			
	(1) Basic		(26.53)	(75.26)
	(2) Diluted		(26.53)	(75.26)

As per our report of even date  
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



Vijay Kumar H Modi  
CFO & CS



Anil Sakharan Korpe  
(Director)  
DIN : 07543339





Avil Menezes  
Resolution Professional of Valecha Kachchh Toll Roads Limited  
Reg No. IBBI/IPA-001/IP-P00017/2016-2017/10041  
Authorization for Assignment valid till 27th November 2024

  
Santosh Kumar Patro  
(Director)  
DIN : 07571177

**Valecha Kachchh Toll Roads Limited**  
Cash Flow Statement For The Period Ended On 31st March 2024

	(Rs. In Lakhs)	
	Year Ended 31st March, 2024	Year Ended 31st March, 2023
<b>A. Cash flow from Operating Activity</b>		
Loss Before Tax and Extraordinary Item	(18,172.27)	(51,553.29)
<b>Add / (Deduct) Adjustment for :</b>		
Depreciation	-	1,482.01
Interest Paid	18,143.93	15,782.89
Other Income	(0.86)	(0.37)
Loss on impairment in value of Tangible Asset, Intangible Assets and Intangible Assets under Development	-	34,206.36
<b>Operating Profit before working capital changes</b>	<b>(29.21)</b>	<b>(34,288.76)</b>
Trade and other Receivable	74.33	317.91
Trade and other Payables	18,349.76	16,634.74
<b>Net Cash Flow from Operating Activity</b>	<b>18,394.89</b>	<b>(17,336.10)</b>
<b>B. Cash Flow from Investing Activity</b>		
Other Income	0.86	0.37
Purchase Of Fixed Assets	-	-
Intangible Assets under Development	-	(1,023.57)
Capital work in progress		
Purchase of Investments		
<b>Net Cash flow From Investing Activity</b>	<b>0.86</b>	<b>(1,023.19)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Security Premium		
Increase in Other Equity	-	-
Promoters Contribution	-	-
Interest Paid	(18,143.93)	(15,782.89)
Proceeds from short term borrowing	-	(167.12)
Repayment Of Loan	-	-
<b>Net Cash From Financing Activities</b>	<b>(18,143.93)</b>	<b>(15,950.02)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>251.82</b>	<b>(102.96)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>3.40</b>	<b>106.36</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>255.22</b>	<b>3.40</b>

As per our report of even date  
For Rajratan Kothari Associates  
Chartered Accountants  
Firm Registration No.:113704W

*Rajratan M Kothari*



For and on behalf of the Board

*Vijay Kumar H Modi*  
Vijay Kumar H Modi  
CFO & CS

*Anil Sakharam Korpe*  
Anil Sakharam Korpe  
(Director)  
DIN : 07543339

*Santosh Kumar Patro*  
Santosh Kumar Patro  
(Director)  
DIN : 07571177

Rajratan M Kothari  
Membership No.: 032428  
Proprietor  
Place : Mumbai  
Date : 28th May, 2024

Avil Menezes  
Resolution Professional of Valecha Kachchh Toll Roads Limited  
Reg No. IBBI/IPA-001/IP-P00017/2016-2017/10041  
Authorization for Assignment valid till 27th November 2024

## Valecha Kachchh Toll Roads Limited

### Statement of changes in equity

A. Equity Share Capital		(Rs. In Lakhs)
Particulars		
Balance as on March 31, 2023		6,850.00
Changes in equity share capital during the year		-
Balance as on March 31, 2024		6,850.00

### B. Other Equity

Particulars	Reserves and Surplus		Total (Rs. In Lakhs)
	Other Comprehensive Income	Retained Earnings	
Balance as at March 31, 2023	1,501.28	(1,28,004.00)	(1,26,502.72)
Profit for the period upto March 31, 2024		(18,172.27)	(18,172.27)
Corporate Guarantee Fees			-
Balance as at March 31, 2024	1,501.28	(1,46,176.27)	(1,44,674.99)

As per our report of even date  
For Rajratan Kothari Associates  
Chartered Accountants  
Firm Registration No.:113704W



Rajratan M Kothari  
Membership No.: 032428  
Proprietor  
Place : Mumbai  
Date : 28th May, 2024



'Avil Menezes  
'Resolution Professional of Valecha Kachchh Toll Roads Limited  
'Reg No. IBBI/IPA-001/IP-P00017/2016-2017/10041  
'Authorization for Assignment valid till 27th November 2024

For and on behalf of the Board

Vijay Kumar H Modi  
CFO & CS

Anil Sakharam Korpe  
(Director)  
DIN : 07543339



Santosh Kumar Patro  
(Director)  
DIN : 07571177

Valecha Kachchh Toll Roads Limited  
Notes to Accounts for the year ended 31st March 2024  
Note 3: Property, Plant & Equipment

(Rs. In Lakhs)

Details	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 1 April 2023	Addition during the year	Desposal / adjustment	Impairment losses	Balance as at 31 March 2024	Balance as at 1 April 2023	Depreciation charge for the Period	Desposal / adjustment	Impairment losses	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
(I) Tangible Assets												
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total - A</b>	-	-	-	-	-	-	-	-	-	-	-	-
(II) Intangible Assets												
Concessionaire Right	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total - B</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross Total (A+B)</b>	-	-	-	-	-	-	-	-	-	-	-	-



Valecha Kachchh Toll Roads Limited							Rs. In Lakhs
Notes to Accounts for the year ended 31st March 2024							Closing Bal
	Opening Bal	Addition During	Capitalisation	Capitalisation	Prov. For		
	01-Apr-23	The Year	Intangible Assets	Tangible	impairment in		
			(A) & (B)	Assets	value of	31-Mar-24	
					intangible assets		
					under		
					Development		
Note 3A: Intangible Assets under Development	(A)	(B)	(C)	(D)	(E)	Total of (A to E)	
EPC Cost	-	-	-	-	-	-	
Interest During Construction	-	-	-	-	-	-	
Interest on Unsecured loan (GSRDC)	-	-	-	-	-	-	
Other Preliminary Expenses	-	-	-	-	-	-	
Prebid Expenses	-	-	-	-	-	-	
Appraisal Fee - Canara Bank	-	-	-	-	-	-	
Audit Fee	-	-	-	-	-	-	
Air Conditioner	-	-	-	-	-	-	
Bank Charges	-	-	-	-	-	-	
B G Commission	-	-	-	-	-	-	
Conveyance Charges	-	-	-	-	-	-	
Development Fees	-	-	-	-	-	-	
General Expenses	-	-	-	-	-	-	
Generator Set	-	-	-	-	-	-	
IEC Code Exp.	-	-	-	-	-	-	
I.E. Reimbursement of Payment	-	-	-	-	-	-	
Insurance Charges	-	-	-	-	-	-	
IE Escalation Work	-	-	-	-	-	-	
Interest on IE Fees	-	-	-	-	-	-	
Interest Paid on Statutory Liability	-	-	-	-	-	-	
ISIN Activation Exp.	-	-	-	-	-	-	
Postage & Courier A/c	-	-	-	-	-	-	
Printing & Stationery	-	-	-	-	-	-	
Professional Fees	-	-	-	-	-	-	
Professional Fees - Traffic Study	-	-	-	-	-	-	
ROC Charges	-	-	-	-	-	-	
Salary Paid	-	-	-	-	-	-	
Staff Welfare Expenses	-	-	-	-	-	-	
Stamp Duty	-	-	-	-	-	-	
Supervision Charges for ROB	-	-	-	-	-	-	
Tax Expense	-	-	-	-	-	-	
Toll Expenses	-	-	-	-	-	-	
Toll Systems	-	-	-	-	-	-	
Travelling Expenses	-	-	-	-	-	-	
Upfront Fee - Canara Bank	-	-	-	-	-	-	
Upfront Fee - IOB	-	-	-	-	-	-	
Up Front Fees Additional Debt- Canara Bank	-	-	-	-	-	-	
Interest on Development Fees	-	-	-	-	-	-	
<b>(Sub Total a)</b>	-	-	-	-	-	-	
Less : Indirect Income	-	-	-	-	-	-	
<b>(Sub Total b)</b>	-	-	-	-	-	-	
<b>Grand Total (a-b)</b>	-	-	-	-	-	-	
1. The company is concessionaire for the project of development of Bhuj Bhachau Road Section in the state of Gujarat and is authorised for the right from project authority to collect the toll fee from the users of said road section during operation period after COD.							
2. Further, the company has received provisional certificate from Independent Engineer appointed by GSRDC to operate up to 53.659 KM out of total 77.68 KM (i.e. 69% of total KM) on 13.05.2015. Accordingly, intangible assets under development has been capitalised in the year 2015 to that extent and intangible assets has been created. Balance project is still under development.							
<b>Note 3B: Intangible Assets under Development as on 31st March 2024</b>							
<b>Particular</b>	<b>Total</b>	<b>Less than 1 Yr</b>	<b>1-2 Yrs</b>	<b>2-3 Yrs</b>	<b>More than 3 Yrs</b>		
Concessionaire Right	-	-	-	-	-		
<b>Total</b>	-	-	-	-	-		
<b>Note 3B: Intangible Assets under Development as on 31st March 2023</b>							
<b>Particular</b>	<b>Total</b>	<b>Less than 1 Yr</b>	<b>1-2 Yrs</b>	<b>2-3 Yrs</b>	<b>More than 3 Yrs</b>		
Concessionaire Right	-	1,023.57	2,502.55	1,715.86	21,607.52		
<b>Total</b>	-	<b>1,023.57</b>	<b>2,502.55</b>	<b>1,715.86</b>	<b>21,607.52</b>		



Note 4:	Other Non Current Assets	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	Deposits		0.50
	Sales Tax Deposit		0.50
	<b>Total</b>	<b>0.50</b>	<b>0.50</b>

Note 5:	Cash and cash equivalents	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	(I) Cash on Hand	-	-
	(II) Balances with Banks		
	<b>In Current Accounts</b>		
	Canara Bank A/c 2677201000919	154.49	0.12
	Canara Bank Escrow A/c 2630201000167	-	2.40
	Canara Bank Toll Collection A/c -3309201000052	(0.01)	0.14
	Corporation Bank A/c 510101006285562	0.75	0.75
	(III) Other Bank balances		
	Canara Bank FDR - 130033553380	100.00	-
	<b>(Sub Total I)</b>	<b>255.22</b>	<b>3.40</b>
	<b>Total</b>	<b>255.22</b>	<b>3.40</b>

Note 6:	Loans - Current	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	Advances to related parties:		
	<b>Unsecured:</b>		
	Machinery Advance to Valecha Engineering Limited	538.34	538.34
	Material Advance to Valecha Engineering Limited	2,327.21	2,327.21
	Mobilisation Advance to Valecha Engineering Limited	1,238.85	1,238.85
	Valecha Infrastructures Ltd Assets	21.75	21.75
	Valecha Badwani Sendhwa Toll Ways Ltd	0.98	0.98
	Valecha LM Toll Private Limited	1.79	1.79
	Amount Receivable From Canara Bank	-	50.00
	<b>Total</b>	<b>4,128.92</b>	<b>4,178.92</b>

**Details of Short Term Loans & advances in the nature of Loan given to Related Parties, Persons**

Type of Borrower	As at 31.03.2024		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	Outstanding amount of loan or advance in the nature of loan	% to the total Loans and Advances in the nature of loans
<b>Agreement does not specify any terms or period of repayment</b>				
Promoters	-	0%	-	-
Directors	-	0%	-	-
KMPs	-	0%	-	-
Related Parties	4,128.92	100%	4,128.92	99%
<b>Total</b>	<b>4,128.92</b>	<b>100%</b>	<b>4,128.92</b>	<b>99%</b>

Note 7:	Other Current Assets	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	TDS Receivable	1.42	1.42
	<b>Total</b>	<b>1.42</b>	<b>1.42</b>

Note 8:	Other Current Assets	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	Imprest	-	-
	Amount Withheld by GSRDC	-	-
	Advances to Staff	-	-
	Advances to Supplier	2.99	4.88
	Prepaid upfront fees	-	-
	Prepaid Insurance Expenses	-	23.31
	Interest Accrued on FD	0.86	-
	<b>Total</b>	<b>3.85</b>	<b>28.19</b>

Note 9:	Share Capital	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	(I) Authorised Share Capital		
	6,85,00,000 (Prev. Year 6,85,00,000) Equity Shares of Rs 10 each	6,850.00	6,850.00
	(II) Equity Shares - Issued, Subscribed and Paid up		
	6,85,00,000 (Prev. Year 6,85,00,000) Equity Shares of Rs 10 each	6,850.00	6,850.00
	<b>Total</b>	<b>6,850.00</b>	<b>6,850.00</b>
	(III) Reconciliation of the shares outstanding at the beginning and the at the end of the reporting period		
		2023-24	2022-23
		No. of shares	No. of shares
	At the beginning of the year	6,85,00,000	6,85,00,000
	Add : Issued during the year	-	-
	Outstanding at the end of the year	<b>6,85,00,000</b>	<b>6,85,00,000</b>

**Rights, Preferences and Restrictions -**

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

Shares held by	No. of Shares	% of Shares	No. of Shares	% of Shares
- Its Holding Company (M/s Valecha Engineering Limited)	3,98,35,000	58%	3,98,35,000	58%
<b>Details of Shareholders holding more than 5% shares</b>				
	2023-24		2022-23	
	No. of shares	% holding	No. of shares	% holding
Name of Shareholders				
Valecha Engineering Limited	3,98,35,000	58%	3,98,35,000	58%
PBA Infrastructure Limited	2,86,65,000	42%	2,86,65,000	42%

**(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 during the year
	No of shares	% of Holding	No of shares	% of Holding	
Valecha Engineering Limited	3,98,35,000	58%	3,98,35,000	58%	0.00%
<b>Total</b>	<b>3,98,35,000</b>	<b>58%</b>	<b>3,98,35,000</b>	<b>58%</b>	<b>0.00%</b>





Note 10:	Other Equity	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	Surplus/(Deficit) in statement of Profit & Loss		
	Balance Brought Forward	(1,28,004.00)	(76,450.71)
	Surplus/(Deficit) in statement of Profit & Loss during the year	(18,172.27)	(51,553.29)
	Provision for resurfacing expenses	-	-
	IndAS impact for Service concession agreement	(1,46,176.27)	(1,28,004.00)
	Other Comprehensive Income (Guarantee Fees)	1,501.28	1,501.28
	<b>Total</b>	<b>(1,44,674.99)</b>	<b>(1,26,502.72)</b>

Note 11:	Provisions - Non Current	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	Provision for MMR	3,175.51	3,175.51
	<b>Total</b>	<b>3,175.51</b>	<b>3,175.51</b>

Note 12:	Borrowings - Current	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)				
	<b>Secured Loans</b>						
	<b>Term Loans</b>						
	Canara Bank	19,883.58	19,883.58				
	Indian Overseas Bank	16,116.33	16,116.33				
	<b>The term loan is secured by :</b>						
	i.) First mortgage and charge of all companies, immovable properties if any, both present and future save and except project assets.						
	ii.) First pari passu charge by way of hypothecation of all the company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets of the project, save and except project assets, present and future.						
	iii.) First charge on company's cash flows and receivables including revenues of whatever nature, present or future wherever arising.						
	<b>Principal, Interest &amp; Interest Rate :</b>						
	<b>Particular</b>	<b>Principal Outstanding Rs. (A)</b>	<b>Principal Default Rs.</b>	<b>Interest Outstanding Rs. (B)</b>	<b>Total Amount in Rs. (A+B)</b>	<b>Rate Interest</b>	<b>Period of Default</b>
	Canara Bank	18,386.33	18,386.33	57,425.95	75,812.28	Base Rate+6.45%	Principal is payable since June 2016 and interest is payable since February 2016.
		1,497.25	1,497.25	4,447.97	5,945.22		
	<b>Total A</b>	<b>19,883.58</b>	<b>19,883.58</b>	<b>61,873.92</b>	<b>81,757.50</b>		
	Indian Overseas Bank	15,049.96	15,049.96	24,796.44	39,846.41	Base Rate+1.75%	Principal is payable since June 2016 and interest is payable since February 2016.
		1,066.36	1,066.36	925.47	1,991.83		
	<b>Total B</b>	<b>16,116.33</b>	<b>16,116.33</b>	<b>25,721.91</b>	<b>41,838.24</b>		
	<b>Total (A+B)</b>	<b>35,999.91</b>	<b>35,999.91</b>	<b>87,595.83</b>	<b>1,23,595.74</b>		
	Company has not paid any principal amount during the current year. Further, Bank has not communicated revised repayment schedule. Hence, we consider same repayment schedule for current year.						
	<b>Unsecured</b>						
	<b>Loans and advances from related parties</b>						
	Part of the Promoters Contribution in Project from Valecha Engineering Limited, Holding Company. Infused as per the Rupee Loan Agreement entered with project lenders.					5,845.12	5,845.12
	Repayable after the payment of secured loans, at face value on the basis of availability of cash flow and carries 0% interest.						
	Valecha Badwani Sendhwa Toll ways Ltd						
	<b>Loan from GSRDC</b>					7,333.15	7,333.15
	GSRDC has provided loan against claims of the Company at 8.25% PA annually & will be repaid once construction is complete and settlement of claim is made.						
	<b>Total</b>	<b>49,178.18</b>	<b>49,178.18</b>				

Note 13:	Trade payables	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	Payable to EPC Contractor Holding Company	104.53	103.59
	Sundry Creditors Others	220.50	218.70
	<b>Total</b>	<b>325.02</b>	<b>322.29</b>

	Ageing of Trade Payable All other than MSME (Disputed)	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	< 1 year	0.00	0.00
	1-2 Years	0.00	0.00
	2-3 Years	0.00	0.00
	>3 years	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>
	Ageing of Trade Payable All other than MSME ( Non- Disputed)	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	< 1 year	3.96	143.86
	1-2 Years	147.15	11.12
	2-3 Years	11.12	0.00
	>3 years	162.80	162.80
	<b>Total</b>	<b>325.02</b>	<b>317.78</b>

Note 14:	Other financial Liabilities - Current	31st March 2024 (Rs. In Lakhs)	31st March 2023 (Rs. In Lakhs)
	Interest accrued and due on borrowings		
	Interest payable to GSRDC	1,706.14	1,706.14
	Interest payable to Bank	87,595.83	69,453.20
	Earnest Money Deposit From Prospective Resolution Applicant	200.00	-
	Advance Received From Canara Bank Against CIRP Cost	5.00	-
	<b>Total</b>	<b>89,507</b>	<b>71,159.33</b>



<b>Note 15:</b>	<b>Other Current Liabilities</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
	Statutory Dues	(Rs. In Lakhs) 29.23	(Rs. In Lakhs) 29.83
	<b>Total</b>	<b>29.23</b>	<b>29.83</b>

<b>Note 16:</b>	<b>Employee Benefits Expenses</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
	Salaries & Wages	(Rs. In Lakhs) -	(Rs. In Lakhs) 34.78
	Others	-	0.93
	<b>Total</b>	<b>-</b>	<b>35.71</b>

<b>Note 17:</b>	<b>Finance Costs</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
	Interest Cost	(Rs. In Lakhs) 18,142.63	(Rs. In Lakhs) 15,781.41
	Other finance cost	1.29	1.49
	<b>Total</b>	<b>18,143.93</b>	<b>15,782.89</b>

<b>Note 18:</b>	<b>Other Expenses</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
	Legal & Professional Fees	(Rs. In Lakhs) 2.14	(Rs. In Lakhs) 37.06
	Power & Fuel	-	2.53
	Rent & Hire Charges	-	8.20
	Rent, Rates & Taxes	0.23	0.01
	Repair & Maintenance	-	108.44
	Sundry Operational Expenses	0.73	17.59
	Toll Operation & maintenance Expenses	23.31	180.91
	Travelling & Conveyance Expenses	-	1.98
	Payment to Auditors	2.80	2.80
	Provision for MMR Expenses	-	326.11
	Toll Refreshment Expenses	-	0.49
	<b>Total</b>	<b>29.21</b>	<b>686.12</b>

<b>Note 19:</b>	<b>Commitments</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
	Estimated amount of contracts remaining to be executed on capital account ( Net of Capital Advances)	(Rs. In Lakhs) 177.16	(Rs. In Lakhs) 177.16

<b>Note 20:</b>	<b>Auditors Remuneration (Including taxes)</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
	Statutory Audit Fee	(Rs. In Lakhs) 1.60	(Rs. In Lakhs) 1.60
	Quarterly Limited Review Audit Fee	0.38	0.38
	Tax Audit	0.40	0.40
	GST	0.43	0.43
	<b>Total</b>	<b>2.80</b>	<b>2.80</b>

<b>Note 21:</b>	<b>Earning Per Share</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
	Net Profit attributable to equity shareholders	(Rs. In Lakhs) (18,172.27)	(Rs. In Lakhs) (17,346.93)
	Weighted average number of shares for Basic and Diluted EPS (Numbers)	6,85,00,000	6,85,00,000
	Basic & Diluted Earnings Per share (Equity share of Rs. 10/- each)	(26.53)	(25.32)

<b>Note 22:</b>	<b>Segment Reporting</b>
	The Company is a special purpose vehicle which has a single special purpose of development of Bhuj Bhachau Road Section in the state of Gujrat on BOT basis; therefore the only segment of company as per Ind AS 108.

<b>Note 23:</b>	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.
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<b>Note 24:</b>	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.
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<b>Note 25:</b>	<b>Disclosures Under The Micro, Small Micro and small enterprises as defined under MSMED Act, 2006</b>																																																		
	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.																																																		
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>31st March,2024</th> <th>31st March,2024</th> <th>31st March,2023</th> <th>31st March,2023</th> </tr> <tr> <td></td> <td>₹</td> <td>₹ in '000</td> <td>₹</td> <td>₹ in '000</td> </tr> </thead> <tbody> <tr> <td>Principal amount due to suppliers as at the year end</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Interest accrued, due to suppliers on the above amount, and unpaid as at the year end</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Payment made to suppliers (other than interest) beyond the appointed date under Section 16 of MSMED</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Interest paid to suppliers under MSMED Act (other than Section 16)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>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</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>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</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Amount of Interest accrued and remaining unpaid at the end of each accounting year to suppliers</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>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</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Particulars	31st March,2024	31st March,2024	31st March,2023	31st March,2023		₹	₹ in '000	₹	₹ in '000	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	-	-	-	-
Particulars	31st March,2024	31st March,2024	31st March,2023	31st March,2023																																															
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<b>Note 26:</b>	<b>Contingent Liabilities</b>
	As Concession Agreement Article: 14.4.1: Damage liability may arise due to non-completion of Punch list with 90 days from dated of provisional certificate issued. (Provisional Certificate Dated: 13.05.2015). Lower of 0.1% of the Performance Security and 0.2% of the costs of completing such items as estimated by the Independent Engineer on per day basis, amounting to Rs. 300,45,600 (PY : 300,45,600). GSRDC has conveyed that the Extension of Time sought by is under consideration. In the mean time the project has got delayed beyond 31/12/2015. In which the company has to sought extension of time suitably as per letter dated 25.12.2015. In view of the same the GSRDC has to modify the Milestone / completion of work accordingly and to arrive a realistic project completion date.



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**Note 27: Related party Disclosure**

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

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

The name of related parties with the nature of relationship

(Rs. In Lakhs)

NATURE OF TRANSACTIONS:	Holding Company		Enterprise having significant influence		Enterprise over which holding company having significant influence	
	April 2023 to Mar 2024	April 2022 to Mar 2023	April 2023 to Mar 2024	April 2022 to Mar 2023	April 2023 to Mar 2024	April 2022 to Mar 2023
<b>TRANSACTION DURING THE YEAR</b>						
<b>Expenses debited into Intangible Assets Under</b>						
EPC Cost	-	479.91	-	-	-	-
Advance given	-	-	-	-	-	-
Advance received back	-	-	-	-	-	-
Share Application Money Recd	-	-	-	-	-	-
Promoters Contribution Recd.	-	-	-	-	-	-
Short Term Borrowing	-	-	-	-	-	-
Shares Allotted	-	-	-	-	-	-
<b>OUTSTANDING AT THE YEAR END</b>	-	-	-	-	-	-
<b>LIABILITIES</b>						
Sub-ordinate debt	5,845.12	5,845.12	-	-	-	-
Payable to EPC Contractor Holding Company	104.53	103.59	-	-	-	-
Short Term Borrowing	-	-	-	-	-	-
<b>ASSETS</b>						
Mobilization Advance	538.34	538.34	-	-	-	-
Material Advance	2,327.21	2,327.21	-	-	-	-
Machinery Advance	1,238.85	1,238.85	-	-	-	-
Other Advance	-	-	-	-	24.52	24.52



## 28 Financial Ratios

Sr. No.	Particulars	Note reference	As at 31st March, 2024	As at 31st March, 2023	% Variance	Reasons of variance [If change is more than 25%]
1	Current Ratio	a	0.03	0.03	-9.54%	
2	Debt – Equity Ratio	b	(0.36)	(0.41)	13.19%	
3	Debt Service Coverage Ratio	c	(0.00)	(2.27)	99.93%	Increase in Debt Coverage ratio is due to decrease in loss of the company
4	Return on Equity (ROE):	d	(0.14)	(0.55)	74.30%	Increase in return on equity ratio is due to decrease in loss of the company
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	(21,043.20)	(80.58)	-26015.54%	Decrease in Net Profit ratio is due to decrease in revenue of the company
9	Net capital turnover ratio (in times)	i	(0.00)	(0.01)	99.88%	Increase in Net capital turnover ratio is due to decrease in losses of the company
10	Return on capital employed (%)	j	(0.00)	(0.53)	99.94%	Increase in return on Capital employed is due to decrease 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



Particulars	(Rupees in Lakhs)			
	31-Mar-24		31-Mar-23	
	FVPL FVOCI	Amortised Cost	FVPL FVOCI	Amortised Cost
<b>Financial Assets</b>				
Cash and Bank Balance	-	255.22	-	3.40
Loans	-	4,128.92	-	4,178.92
<b>Total financial assets</b>	-	4,384.14	-	4,182.32
<b>Financial liabilities</b>				
Borrowing	-	49,178.18	-	49,178.18
Trade payables	-	325.02	-	322.29
Other financial liabilities	-	89,506.96	-	71,159.33
<b>Total financial liabilities</b>	-	1,39,010.17	-	1,20,659.80

The carrying amounts of trade payables, cash and cash equivalent including other current bank balances and other liabilities including creditors, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Note 30 Capital management**  
The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

**Note 31 Financial risk management**  
The company activities exposes it to market risk, liquidity risk and credit risk.  
This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised	Ageing analysis Credit ratings	Diversification of bank deposits, credit
Market risk - interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and

**Market risk — interest rate risk**  
The Bank loans follows floating rates with resets defined under agreements. While interest rate fluctuations carry a risk on financials, the company earn toll income which is linked to WPI thus providing a natural hedge to the interest rate risk.

**Sensitivity**  
Profit or loss is sensitive to higher/lower interest income from borrowings as a result of changes in interest rates.

Impact on profit/loss after tax	As at 31st March, 2023	As at 31st March, 2023
Interest rates (increase) by 1 basis points	-491.78	-491.78
Interest rates decrease by 1 basis points	491.78	491.78

**Note 32 Financial risk management**  
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The company is also taking steps to improve liquidity going forward by focusing on new initiatives taken recently.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 and March 31, 2023

Particulars	Carrying amount	Less than 12 months	More than 12 months
<b>As at Mar 31, 2024</b>			
<b>Liabilities</b>			
Borrowing	49,178.18	49,178.18	-
Trade payables	325.02	3.96	321.06
Other financials liabilities	89,506.96	89,506.96	-
<b>Assets</b>			
Cash and Bank Balance	255.22	255.22	-
Loans	4,128.92	-	4,128.92
	<b>Carrying amount</b>	<b>Less than 12 months</b>	<b>More than 12 months</b>
<b>As at Mar 31, 2023</b>			
<b>Liabilities</b>			
Borrowing	49,178.18	49,178.18	-
Trade payables	322.29	0.62	321.67
Other financials liabilities	71,159.33	71,159.33	-
<b>Assets</b>			
Cash and Bank Balance	3.40	3.40	-
Loans	4,178.92	50.00	4,128.92



<b>Note 33</b>	<b>Deferred Tax Assets:</b> The Company on the basis of prudence has preferred not to recognize the deferred tax assets.
<b>Note 34</b>	<b>Employees' Retirement and other Benefits:</b> As per management no liability for retirement benefit costs (Gratuity Provision) arises to the Company, as the employees work for short term basis on payroll, therefore compliances with the Ind AS – 19 on "Employees Benefits" is not applicable to the Company.
<b>Note 35</b>	<b>Note on Going Concern of Parent Company:</b> 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 (IRP)(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 VKTRL has been prepared and no adjustments, if any, have been made.
<b>Note 36</b>	Hon'ble, NCLT, Mumbai, passed order dated 09.10.2023 in Company Petition no. CP (IB) 360(MB)/2023 filed by Canara Bank , the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against Valecha Kachchh Toll Roads Limited (VKTRL), Corporate Debtor, for initiating Corporate Insolvency Resolution Process (CIRP). Mr. Avil Jerome Menezes, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IP00017/2016-17/10041] has been appointed as Interim Resolution Professional (IRP)(later on confirmed as RP by Committee of Creditors (CoC)), to carry out the functions as mentioned under Insolvency & Bankruptcy Code, 2016 for running the CIRP of the Company. 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 as per provisions of IBC, 2016, the company is to be kept as a going concern, and hence audited financial results are prepared assuming that it will continue as a going concern. Also it has continued to default in repayment of its financial obligation including interest. The Company has received PCOD (provisional commercial operation date) for section 1 from GSRDC on 13.05.2015 which was operational and revenue was being generated upto 23.02.2023. The Company was also close to final completion and commencement of toll operations for Section 2 of the Project. The Company has already submitted a claim of Rs.1862.03 crores on GSRDC towards delay events upto and including 31.03.2022 on 26.07.2022. GSRDC has also made a counter claim of Rs. 416.27 Crores on the Company and accordingly both the parties have moved to conciliation process in accordance with the provisions of the Concession Agreement. During the pendency of the Conciliation process, GSRDC has terminated the contract with the Company on 23.02.2023 and has taken over control of its toll operations. Further GSRDC has also invoked arbitration proceedings vide letter dated 07.03.2023 during the pendency of the conciliation process which the Company has strongly opposed and have asked for completion of conciliation process before invoking of arbitration clause. The Company is also in the process to submit an upward revised Statement of Claims for the period upto and including 23.02.2023. With respect to arbitration the matter is pending at Gujarat High Court.
<b>Note 37</b>	The Company has not revalued any Property, Plant & Equipment nor any Intangible assets.
<b>Note 38</b>	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
<b>Note 39</b>	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.
<b>Note 40</b>	The Company has intangible assets under development and accordingly, ageing completion schedule is provided in Note No. 3A.
<b>Note 41</b>	The Company has granted loans to promoters, directors, key managerial persons and related parties as defined under Companies Act, 2013.( Refer Note. No. 6)
<b>Note 42</b>	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.
<b>Note 43</b>	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.
<b>Note 44</b>	The Company have borrowings from banks or financial institutions as per Notes No. 12. and, there is reporting requirement required regarding utilisation of funds for specific purpose for which it was obtained.
<b>Note 45</b>	The Company have borrowings from banks or financial institutions against security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company
<b>Note 46</b>	The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
<b>Note 47</b>	The Company does not have any transactions with companies struck off.
<b>Note 48</b>	The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
<b>Note 49</b>	The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
<b>Note 50</b>	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.
<b>Note 51</b>	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.



Note 52 The Company has not entered into any scheme of arrangement.

Note 53 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.

Note 54 Previous Year Comparatives:  
The previous year figures have been regrouped, rearranged, and reclassified wherever necessary.

As per our report of even date

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



*Rajratan M Kothari*

Rajratan M Kothari  
Membership No.: 032428  
Proprietor  
Place : Mumbai.  
Date : 28th May, 2024

For and on behalf of the Board



*Vijay Kumar H Modi*

Vijay Kumar H Modi  
(CFO & CS)

*Anil Sakharam Korpe*

Anil Sakharam Korpe  
(Director)  
DIN : 07543339



*Avil Menezes*

Avil Menezes  
Resolution Professional of Valecha Kachchh Toll Roads Limited  
Reg No. IBBI/IPA-001/IP-P00017/2016-2017/10041  
Authorization for Assignment valid till 27th November 2024

*Santosh Kumar Patro*

Santosh Kumar Patro  
(Director)  
DIN : 07571177

## Valecha Kachchh Toll Roads Limited

Notes on Accounts Forming Part of the Balance Sheet as at 31<sup>st</sup> March, 2024

### 1. BACKGROUND:

#### 1.1. Corporate Information:

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

VKTRL has been set up to Design, Engineering, Construction, Development, Finance, Operation and maintenance, construction of four/ two Laning Road of Bhuj - Bhachau Road Section, in the state of Gujarat on BOT basis and it operates under a single business and geographical segment.

The company is currently undergoing corporate insolvency resolution process ("CIRP") as directed by an order dated 09<sup>th</sup> October 2023 of the Hon'ble National Company Law Tribunal. Vide the said order Hon'ble court appointed Mr. Avil Menezes as Interim Resolution Professional who was thereafter appointed as Resolution Professional in 1<sup>st</sup> CoC meeting.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1. Basis of preparation

These Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulations.

These Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.

These Financial Statements are presented in absolute Indian Rupee, except where otherwise indicated.

The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

#### 2.2. Current versus non-current classification

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

An asset is treated as current when it is:

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





- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 2.3. Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional statements are presented in Indian Rupees (INR), which the company's functional and presentation currency.

### 2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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



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All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2.5. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 2.5.1. Financial assets

#### 2.5.1.1. Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, net of directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)



### 2.5.1.2. Financial Assets at amortised cost

Financial assets are measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and other receivables.

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

All investments in scope of Ind AS 109 are measured at fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income (OCI) to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### 2.5.1.4. De-recognition

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

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into



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

#### 2.5.1.5. Impairment of financial assets

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

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

- **Loans receivables measured at amortised cost:** Loans receivables at amortised cost are generally short term in nature considered to be low risk, and thus the impairment provision is determined as 12 months expected credit losses.
- **Loans given to employees:** For loans given to employees outstanding as on the reporting dates, the has determined reliably that assessing the probability of default at the initial recognition of each and every loan or receivable would result in undue cost and effort. As permitted by Ind AS 109, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the loan is derecognized. Using the impairment methodology the Company has assessed that no loan loss allowance needs to be recorded in the books of accounts.

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

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

#### 2.5.2. Financial Liabilities

##### 2.5.2.1. Initial recognition and measurement

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

All financial liabilities are recognized initially at fair value.

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



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#### 2.5.2.2. Subsequent measurement

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

#### 2.5.2.3. Loans and borrowings

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

#### 2.5.2.4. Trade Payables

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

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

#### 2.5.2.5. Retention money payable

This is the category most relevant to the Company. Retention moneys are measured at Fair value initially. Subsequently, they are measured at amortised cost using the EIR (Effective interest rate) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

#### 2.5.2.6. De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

#### 2.5.2.7. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 2.6. Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for the Company's activities, as described below.



- A. **Toll Collection:** Toll Revenue is recognised in respect of toll collected at the Toll plaza of the company at Kachchh – Bhuj, Gujrat on receipt basis.
- B. **Interest Accrued on Deposit with Bank:** Income from Interest on deposits is recognized on time proportionate method.
- C. **Others**  
Insurance and other claims are recognized as revenue on certainty of receipt basis.

## 2.7. Property, plant and equipment

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

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

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for their intended use before such date are shown as Capital Work in Progress.

Depreciation on property, plant and equipment is provided on **straight line method** over the useful lives as specified in Part 'C' of Schedule II to the Companies Act, 2013, which is also estimated as useful lives by the management.

## 2.8. Intangible assets and Amortization

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of

acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any. Intangible assets comprising of software purchased and licensing cost are amortized on **straight line basis** over the useful life of the software up to a maximum period of 10 years.

### 2.8.1. Accounting of intangible assets under service concession arrangement

The Company has Toll Road Concession rights where it Builds, Operates and Transfers (BOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (a license) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction



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services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The intangible assets is measured at the fair value of consideration transferred to acquire asset, which is the fair value of consideration received or receivable for the construction services delivered.

### **2.8.2. Intangible assets model**

Intangible assets arising out of service concession arrangements are accounted for as intangible assets where the Company has a contractual right to charge users of service when the projects are completed.

The intangible assets is measured at the fair value of consideration transferred to acquire asset, which is the fair value of consideration received or receivable for the construction services delivered.

### **2.8.3. Amortization of concession intangible assets**

The Intangible assets recognized are amortized over the concession period on proportionate basis.

### **2.8.4. Maintenance obligations**

Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Infrastructure asset in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date for which next resurfacing would be required as per the concession arrangement. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### **2.8.5. Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## **2.9. Taxes**

### **2.9.1. Current Tax**

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



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

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

### 2.9.2. Deferred tax

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

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

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

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

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

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 2.11. Contingent liabilities and contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in the books of accounts but its





existence is disclosed in the Financial Statements. A Contingent asset is not recognized in financial statements, however, the same are disclosed where an inflow of economic benefit is probable.

## 2.12. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## 2.13. Employees' Benefits:

### 2.13.1. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### 2.13.2. Post - employment obligations

#### Defined Contribution Plan:

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

## 2.14. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief operating decision maker's function is to allocate the resources of the entity and access the performance of the operating segment of the entity.

The Board assesses the financial performance and position of the Company and makes strategic decisions. It is identified as being the chief operating decision maker for the company.

## 2.15. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions



that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.

#### **2.15.1. Applicability of service concession arrangement accounting to toll roads concessionaire arrangements**

The Company has determined that Appendix A of Ind AS 11 'Service concession arrangements' is applicable to the Company which provides on accounting by the operators for public-to-private service concession arrangements. The Company has entered into concession arrangement with GSRDC as per which the Company would participate in the Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads infrastructure. After the end of the concession arrangement, the Company has to transfer the infrastructure i.e. toll roads constructed to GSRDC.

#### **2.15.2. Income taxes**

The Company has recognized deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxation authority against which the unused tax losses can be utilized. However, the utilization of tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped. Management has forecasted future taxable profits and has therefore recognized deferred tax assets in relation to tax losses.

#### **2.15.3. Amortization of concession intangible assets**

The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits.

#### **2.15.4. Provision for resurfacing obligation (major maintenance expenditure)**

The Company records the resurfacing obligation for its present obligation as per the concession arrangement to maintain the toll roads at every five years during the concession period. The provision is included in the Financial Statements at the present value of the expected future payments. The calculations to discount these amounts to their present value are based on the estimated timing of expenditure occurring on the roads.

The discount rate used to value the resurfacing provision at its present value is determined through reference to the nature of provision and risk associated with the expenditure.

#### **2.16. Recent accounting pronouncements**

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies(Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core



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principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

As per our report of even date

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



Rajratan M Kothari  
Membership No.: 032428  
Proprietor  
Place : Mumbai  
Date : 28<sup>th</sup> May, 2024

For and on behalf of the Board



Vijay Kumar H Modi  
CFO & CS



Anil Sakharam Korpe  
(Director)  
DIN : 07543339



Avil Menezes  
Resolution Professional of  
Valecha Kachchh Toll Roads Limited  
Reg No. IBBI/PA-001/IP-P00017/2016-2017/10041  
Authorization for Assignment valid till 27th November 2024



Santosh Kumar Patro  
(Director)  
DIN : 07571177