

## Valecha Badwani Sendhwa Tollways Limited

Balance Sheet As at 31st March, 2023

		(Rs. In Lakhs)	
Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	25.60	32.38
(b) Other Intangible assets	1	2,418.18	3,109.09
(c) Income Tax Assets	2	61.33	71.27
<b>Current assets</b>			
(a) Financial Assets			
(i) Trade Receivables	3	497.00	30.00
(i) Cash and Cash equivalents	4	44.06	65.76
(ii) Other financial assets	5	0.83	0.83
(b) Other current assets	6	112.01	3.50
<b>Total Assets</b>		<b>3,159.01</b>	<b>3,312.83</b>
<b>EQUITY AND LIABILITIES</b>			
(a) Equity Share capital	7	500.00	500.00
(b) Other Equity	8	(1,547.08)	(1,571.66)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	2,043.24	2,226.57
(b) Deferred Tax Liabilities (Net)	10	377.37	377.37
(c) Provisions	11	370.90	458.71
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	12	2.94	1.89
(ii) Other Financial liability	13	1,222.29	1,135.33
(b) Other Current liabilities	14	189.34	184.61
<b>Total Equity and Liabilities</b>		<b>3,159.01</b>	<b>3,312.83</b>

As per our report of even date

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

For and on behalf of the Board

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



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

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

# Valecha Badwani Sendhwa Tollways Limited

Statement of Profit & Loss for the Period Ended 31st Mar, 2023

Particulars		Note No	(Rs. In Lakhs)			
			Year Ended 31, 2023		Year Ended 31, 2022	
I.	Revenue from operations	15	1,390.33		1,413.34	
II.	Other income		0.82		32.59	
III.	<b>Total Revenue (I + II)</b>		<b>1,391.15</b>		<b>1,445.93</b>	
IV.	<b>Expenses:</b>					
	Employee benefits expense	16	56.55		42.53	
	Finance costs	17	557.53		504.84	
	Depreciation and amortization expense		697.69		694.50	
	Other expenses	18	54.81		245.75	
	<b>Total expenses</b>		<b>1,366.58</b>		<b>1,487.62</b>	
V.	<b>Loss before exceptional and extraordinary items and tax (III-IV)</b>		<b>24.58</b>		<b>(41.69)</b>	
VI.	Exceptional items		-		-	
VII.	<b>Loss before extraordinary items and tax (V - VI)</b>		<b>24.58</b>		<b>(41.69)</b>	
VIII.	Extraordinary Items					
IX.	<b>Loss before tax (VII- VIII)</b>		<b>24.58</b>		<b>(41.69)</b>	
X	<b>Tax expense:</b>					
	(1) Current Tax					
	(2) Deferred Tax					
XI	<b>Loss for the Period</b>		<b>24.58</b>		<b>(41.69)</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					
	<b>Total Comprehensive income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)</b>		<b>24.58</b>		<b>(41.69)</b>	
XIII	<b>Earnings per equity share:</b>					
	(1) Basic		0.49		(0.83)	
	(2) Diluted		0.49		(0.83)	

The notes form an integral part of these financial statements

As per our report of even date  
For Rajratan Kothari Associates  
Chartered Accountants  
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Rajratan M Kothari  
Membership No.: 032428  
Proprietor  
Place : Mumbai  
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*AS*  
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(Director)  
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*Santosh Kumar Patro*  
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(Director)  
DIN : 07571177

**Valecha Badwani Sendhwa Toll Ways Limited**

**Cash Flow Statement For The Period Ended 31st March, 2023**

		(Rs. In Lakhs)	
		As at 31st March, 2023	As at 31st March, 2022
<b>A</b>	<b>Cash flow from Operating Activity</b>		
	Loss Before Tax and Extraordinary Item	24.58	(41.69)
	<b>Add / (Deduct) Adjustment for :</b>		
	Depreciation	697.69	694.50
	Interest Paid		
	Interest Received	0.00	-
	<b>Operating Profit before working capital changes</b>	<b>722.27</b>	<b>652.81</b>
	Trade Receivables	(467.00)	(30.00)
	Other Financial assets	0.00	0.00
	Other current assets	(108.50)	30.76
	Income Tax assets	9.94	(20.44)
	Other current liabilities	4.73	(116.15)
	Other financial liability	1,221.95	(6.53)
	Long term Provision	(87.81)	2.63
	Short term borrowings		
	Trade and other Payables	1.05	(1.97)
	<b>Net Cash Flow from Operating Activity</b>	<b>1,296.62</b>	<b>511.12</b>
<b>B</b>	<b>Cash Flow from Investing Activity</b>		
	Addition in Fixed Assets	0.00	(35.37)
	Interest Received		
	Dividend on Investment		
	Purchase Of Fixed Assets		
	Intangible Assets under Development		
	Capital work in progress		
	Purchase of Investments		
	<b>Net Cash flow From Investing Activity</b>	<b>-</b>	<b>(35.37)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Security Premium		
	Increase in Equity Share Capital		
	Increase in other equity		
	Repayment Of Loan	(1,318.32)	(571.24)
	<b>Net Cash From Financing Activities</b>	<b>(1,318.32)</b>	<b>(571.24)</b>
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(21.70)</b>	<b>(95.49)</b>
	Opening Balance of Cash and Cash Equivalents	65.76	161.24
	Closing Balance of Cash and Cash Equivalents	44.06	65.76

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

For and on behalf of the Board

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



*APS*  
Anil Sakharan Korpe  
(Director)  
DIN : 07543339

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

## Valecha Badwani Sendhwa Tollways Limited

## Statement of changes in equity

31st March, 2023

A. Equity Share Capital		
Particulars	Rs. In Lakhs	Amount in Rs.
Balance as at March 31, 2021	500.00	50,000,000
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	500.00	50,000,000
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	500.00	50,000,000

## B. Other Equity

Particulars	Reserves and Surplus			Total
	Retained Earnings	Compulsory Convertible Debenture	Corporate Guarantee	
Balance as at March 31, 2021	(3,752.47)	2,000.00	222.50	(1,529.97)
Profit for the year	(41.69)			(41.69)
Other comprehensive income				-
Balance as at March 31, 2022	(3,794.16)	2,000.00	222.50	(1,571.66)
Profit for the year	24.58			24.58
Other comprehensive income				-
Balance as at March 31, 2023	(3,769.59)	2,000.00	222.50	(1,547.08)

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

For and on behalf of the Board

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



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

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

1. NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2023

1. :Property, Plant and Equipment		Gross Block						Accumulated Depreciation		Net Block	
		Balance as at 1 April 2022	Additions/ (Disposals)	Balance as at 31 Mar 2023	Balance as at 1 April 2022	Depreciation charge for the Period	Balance as at 31 Mar 2023	Balance as at 31 Mar 2023	Balance as at 1 April 2022		
(I)	Tangible Assets										
	Furniture and Fixtures	0.59	-	0.59	0.56	-	0.56	0.03	0.03		
	Vehicles	3.02	-	3.02	2.87	-	2.87	0.15	0.15		
	Office Equipment	39.70	-	39.70	7.50	6.78	14.28	25.42	32.20		
	Plaza System	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>43.30</b>	<b>-</b>	<b>43.30</b>	<b>10.93</b>	<b>6.78</b>	<b>17.71</b>	<b>25.60</b>	<b>32.38</b>		
(II)	Intangible Assets										
	Concessionaire Right	9,845.45	-	9,845.45	6,736.36	690.91	7,427.27	2,418.18	3,109.09		
	<b>Total</b>	<b>9,845.45</b>	<b>-</b>	<b>9,845.45</b>	<b>6,736.36</b>	<b>690.91</b>	<b>7,427.27</b>	<b>2,418.18</b>	<b>3,109.09</b>		
(I)+(II)	<b>Total</b>	<b>9,888.75</b>	<b>-</b>	<b>9,888.75</b>	<b>6,747.29</b>	<b>697.69</b>	<b>7,444.98</b>	<b>2,443.78</b>	<b>3,141.47</b>		

Rs. In Lakhs



2 Income Tax Assets	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Advance income tax	61.33	71.27
<b>Total</b>	<b>61.33</b>	<b>71.27</b>

  

3 Trade Receivables	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Sundry Debtors	497.00	30.00
<b>Total</b>	<b>497.00</b>	<b>30.00</b>

  

Trade Receivables ageing Considered Goods Other than MSME ( Non- Disputed)	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
< 6 Months	497.00	30.00
6 Months to 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
>3 years	-	-
<b>Total</b>	<b>497.00</b>	<b>30.00</b>

4 Cash and cash equivalents	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Cash on Hand	8.85	1.51
Balances with Banks in current account	35.21	64.25
<b>Total</b>	<b>44.06</b>	<b>65.76</b>

5 Other financial assets - Current	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Loans & Advances	0.83	0.83
<b>Total</b>	<b>0.83</b>	<b>0.83</b>

6 Other current assets	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Advances to related parties	3.85	2.86
Prepaid Expenses	0.12	0.08
Balances with GST Authorities	0.56	0.56
Material/work Advance	107.48	-
<b>Total</b>	<b>112.01</b>	<b>3.51</b>

Type of Borrower	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
<u>Agreement does not specify any terms or period of repayment</u>		
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	3.85	100%
<b>Total</b>	<b>3.85</b>	<b>100%</b>

Type of Borrower	As at 31.03.2022	
	Outstanding amount of loan or advance in the nature of loan	% to the total Loans and Advances in the nature of loans
<u>Agreement does not specify any terms or period of repayment</u>		
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	2.86	100%
<b>Total</b>	<b>2.86</b>	<b>100%</b>

7 Share capital [Refer Note No. 6 (IV)]	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
(I) Authorised Share Capital 50,00,000 Equity Shares of Rs 10 each	500.00	500.00
(II) Equity Shares - Issued, Subscribed and Paid up 50,00,000 Equity Shares of Rs 10 each	500.00	500.00
<b>Total</b>	<b>500.00</b>	<b>500.00</b>
(III) Reconciliation of the shares outstanding at the beginning and the at the end of the reporting period		
Opening no. of shares-	50,00,000 Equity Shares of Rs 10.00 each allotted as fully paid	500.00
Issued during the period-	Nil	
Outstanding at the end of the period-	50,00,000 Equity Shares of Rs 10.00 each allotted as fully paid	500.00
(IV) Share Holding Pattern-Share in the Company held by each shareholder holding more than 5% shares and held by the holding and fellow subsidiary Company :		
1) Valecha Infrastructure Limited (Holding Company) nos. 37,00,000 Equity Shares of Rs 10 each		
2) Artefact Infrastructure Ltd. nos. 13,00,000 Equity Shares of Rs 10 each		
(V) Terms / Rights attached to Shares:		
(a) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.		
(b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		

Promoter Name	As at 31.03.2023		As at 31.03.2021		% change during the year
	No of shares	% of Holding	No of shares	% of Holding	
Valecha Infrastructure Limited	37,00,000	74%	37,00,000	74%	0.00%
<b>Total</b>	<b>37,00,000</b>	<b>74%</b>	<b>37,00,000</b>	<b>74%</b>	<b>0%</b>



8 Other Equity	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
(I) Retained Earning		
Balance Brought Forward	(3,794.16)	(3,752.47)
Provision for Resurfacing	-	-
Surplus / (Deficit) in Statement of Profit & Loss during the Year	24.58	(41.69)
(II) Transaction with owners in their capacity as owners	(3,769.59)	(3,794.16)
Guarantee fee		
(III) Compulsory Convertible Debenture (Unsecured)	222.50	222.50
(Vide Meeting of Board of Directors of the Company dated 23rd August, 2021, The CCD's issued on 4th October, 2010 for period of 10 years has been further extended for another 5 years and after expiry of the said 15 years from issuance on 04/10/2010, the Subscriber shall have a right to opt for conversion of the CCD into equivalent number of equity shares, subject to approval of the Board of Directors of the Company)	2,000.00	2,000.00
1,48,00,000/- CCD of Rs. 10 each allotted to M/s Valecha Infrastructure Limited		
52,00,000/- CCD of Rs. 10 each allotted to M/s Artefact Infrastructure Limited		
<b>Total</b>	<b>(1,547.08)</b>	<b>(1,571.66)</b>

9 Borrowings - Non Current	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
(II) Term Loan		
Bank of Baroda (Secured)	2,043.24	2,226.57
Notes of Term Loans		
a) Security Coverage		
(Term Loans are Secured by first pari passu charge on the immovable assets and all intangible assets by way of mortgage/ hypothecation, and first charge on rights and interest in project, present and future and by way of pledge of shares by promoter Companies)		
b) Repayment Terms		
Payable in 47 (Forty Seven) unequal quarterly instalments, repayment shall commence from September 30, 2013 and last instalment due in December 31, 2024. Rate of Interest @ 11.15%		
Maturity profile of Secured Loan		
Total Repayments (Rs in crores)		
Year	Amount (Rs. Crs.)	
2023-24	10.80	
2024-25	20.43	
<b>Total</b>	<b>31.23</b>	
<b>Total</b>	<b>2,043.24</b>	<b>2,226.57</b>

10 Deferred tax liabilities (Net)	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
(i) Deferred Tax Liabilities		
Balance as per last balance sheet	377.37	377.37
Deferred tax charged during the year :	-	-
<b>Total</b>	<b>377.37</b>	<b>377.37</b>

11 Provision - Non Current	31st March 2023	31st March 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
1) Resurfacing Expenses	370.90	458.71
<b>Total</b>	<b>370.90</b>	<b>458.71</b>
As per the service concession arrangement with MPRDC, the company is obligated to carry out resurfacing of the roads under concession. The company estimates the likely provision required towards resurfacing and accrues the costs on a straight line basis over the period at the end of the which resurfacing would be required, in the Statement of Profit and Loss in accordance with Ind AS 37 ' Provisions, Contingent Liabilities and Contingent Assets.		
Movement		
Opening	458.71	456.08
Addition	-	185.72
Expenses	(87.81)	(183.09)
Closing	<b>370.90</b>	<b>458.71</b>



	31st March 2023 (Rs. In Lakhs)	31st March 2022 (Rs. In Lakhs)
<b>12 Trade payables</b>		
1) Payables -Others	2.94	1.89
<b>Total</b>	<b>2.94</b>	<b>1.89</b>
<b>Ageing of Trade Payable All other than MSME ( Non- Disputed)</b>	<b>31st March 2023 (Rs. In Lakhs)</b>	<b>31st March 2022 (Rs. In Lakhs)</b>
< 1 year	2.94	1.89
1-2 Years	-	-
2-3 Years	-	-
>3 years	-	-
<b>Total</b>	<b>2.94</b>	<b>1.89</b>
<b>13 Other Financial Liability - Current</b>	<b>31st March 2023 (Rs. In Lakhs)</b>	<b>31st March 2022 (Rs. In Lakhs)</b>
1) Current Maturity of Non current borrowing	1,080.00	1,135.00
2) Employees and other Expenses Payable	3.05	0.33
3) Interest Payable to Bank	139.24	-
<b>Total</b>	<b>1,222.29</b>	<b>1,135.33</b>
<b>14 Other current liabilities</b>	<b>31st March 2023 (Rs. In Lakhs)</b>	<b>31st March 2022 (Rs. In Lakhs)</b>
1) Statutory Liability	8.16	4.34
2) User Fee Liability	3.96	4.19
3) Unsecured loan from related parties (Unsecured loan from Valecha Engineering Ltd is repayable on demand and doesn't carry any interest)	177.22	176.08
<b>Total</b>	<b>189.34</b>	<b>184.61</b>
<b>15 Revenue From Operation</b>	<b>31st March 2023 (Rs. In Lakhs)</b>	<b>31st March 2022 (Rs. In Lakhs)</b>
1) Annuity	994.00	994.00
2) Toll Collection	396.33	419.34
<b>Total</b>	<b>1,390.33</b>	<b>1,413.34</b>
<b>16 Employee benefits expense</b>	<b>31st March 2023 (Rs. In Lakhs)</b>	<b>31st March 2022 (Rs. In Lakhs)</b>
1) Salaries & Wages	51.50	38.33
2) Contribution to Provident Fund	3.22	2.51
3) Others	1.84	1.69
<b>Total</b>	<b>56.55</b>	<b>42.53</b>
<b>17 Finance costs</b>	<b>31st March 2023 (Rs. In Lakhs)</b>	<b>31st March 2022 (Rs. In Lakhs)</b>
1) Interest Expense - On Fixed Period Loan	557.38	504.84
2) Other Finance Cost	-	-
<b>Total</b>	<b>557.38</b>	<b>504.84</b>
<b>18 Other expenses</b>	<b>31st March 2023 (Rs. In Lakhs)</b>	<b>31st March 2022 (Rs. In Lakhs)</b>
1) Communication	1.40	1.24
2) Legal & Professional Fee	6.65	10.66
3) Misc Balance W/off	0.00	-
4) Postage & Telegram	0.04	0.08
5) Power & Fuel	13.50	10.03
6) Printing & Stationery	0.44	0.66
7) Rent, Rates & Taxes	5.85	9.80
9) Repair & Maintenance	7.07	8.47
10) Travelling & Conveyance	2.08	2.55
11) Payment to Auditors	2.30	2.30
12) Sundry Operational Expenses	11.54	10.04
13) User Fee to MPRDC	3.96	4.19
14) MMR Expenses	-	185.72
<b>Total</b>	<b>54.81</b>	<b>245.75</b>



## 19 Financial Ratios

Sr. No.	Particulars	Note reference	March 31, 2023	March 31, 2022	% Variance	Reasons of variance [If change is more than 25%]
1	Current Ratio	a	0.46	0.08	510.48%	Increase in Current Ratio due to increase in Trade receivable
2	Debt – Equity Ratio	b	(1.95)	(2.08)	6.08%	Increase in Debt - equity ratio is due to decrease in Debt and increase in profit
3	Debt Service Coverage Ratio	c	NA	NA	NA	
4	Return on Equity (ROE):	d	2.32%	-3.97%	158.48%	Increase in Return on equity is due to increase in the Net profit
5	Inventory Turnover Ratio	e	NA	NA	NA	
6	Trade receivables turnover ratio	f	5.28	94.22	NA	Decrease in Trade Receivable turnover is due to increase in Trade receivable
7	Trade payables turnover ratio	g	NA	NA	NA	
8	Net profit ratio	h	0.02	(0.03)	161.27%	Increase in Net Profit is Due to decrease in Expenditure
9	Net capital turnover ratio (in times)	i	(1.83)	(1.18)	-54.53%	Decrease in Net capital turnover is due to increase in Trade Receivables
10	Return on capital employed (%)	j	0.33	0.23	43.45%	Increase in Return in Capital employed is Due to increase in Net profit
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



**20 Fair value Measurement**  
Financial Instruments by category

Particulars	(Rs. In Lakhs)			(Rs. In Lakhs)		
	31-03-2023			31-03-2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Cash and Cash equivalents	-	-	44.06	-	-	65.76
Other financial assets	-	-	0.83	-	-	0.83
<b>Total financial assets</b>	-	-	44.89	-	-	66.59
<b>Financial liabilities</b>						
Borrowing	-	-	2,043.24	-	-	2,226.57
Trade payables	-	-	2.94	-	-	1.89
Other financial liabilities	-	-	1,222.29	-	-	1,135.33
<b>Total financial liabilities</b>	-	-	3,268.47	-	-	3,363.80

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.

**21 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.

**22 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 cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk - interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities		Availability of committed credit lines and borrowing facilities

**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	(Rs. In Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Interest rates (increase) by 1 basis points	(20.43)	(22.27)
Interest rates decrease by 1 basis points	20.43	22.27

**23 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 31st March 2023 & 31st March 2022

Particulars	(Rs. In Lakhs)		
	Carrying amount	Less than 12 months	More than 12 months
<b>As at March 31, 2023</b>			
<b>Liabilities</b>			
Borrowing	2,043.24	-	2,043.24
Trade payables	2.94	-	2.94
Other financials liabilities	1,222.29	-	1,222.29
<b>Assets</b>			
Cash and Cash equivalents	44.06	-	44.06
Other financials assets	0.83	-	0.83
<b>As at March 31, 2022</b>			
<b>Liabilities</b>			
Borrowing	2,226.57	-	2,226.57
Trade payables	1.89	-	1.89
Other financials liabilities	1,135.33	-	1,135.33
<b>Assets</b>			
Cash and Cash equivalents	65.76	-	65.76
Other financials assets	0.83	-	0.83



## Valecha Badwani Sendhwa Tollways Limited

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

### NOTES TO THE FINANCIAL STATEMENTS

#### 24. Employees' Retirement and other Benefits:

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.

#### 25. Related party Disclosure:

The Company has undertaken following transactions with the related parties in terms of Ind AS – 24 "Related Party Disclosure":

A) The name of related parties with the nature of relationship:

Promoters & Associates	Relationship
M/s Valecha Infrastructures Ltd (VIL)	Holding Company
M/s Artefact Infrastructure Limited (AIL)	Share holder holding 26% of Share capital
M/s Valecha Engineering Limited (VEL)	Ultimate Holding Company
M/s Valecha LM Toll Private Limited	Fellow Subsidiary

Key Management Personnel	Relationship
Mr. Anil Sakharam Korpe	Director
Mr. Santosh Kumar Patro	Director
Ms. Lalna Bharat Takekar	Director

i) Transaction with the Related Parties.

Nature of Transaction	Promoters & Associates	Balance O/S Amount (Rs.) (2022-23)	Balance O/S Amount (Rs.) (2021-22)
Unsecured Loan (Received)	M/s Valecha Engineering Ltd (VEL)	Rs. ,176,24,390/-	Rs. ,175,09,886/-
Unsecured Loan (Paid)	M/s Valecha Infrastructure Limited (VIL)	Rs. 3,84,565/-	Rs. 2,86,090/-
Unsecured Loan (Received)	M/s Valecha Kachchh Toll Roads Limited	Rs. 97,654/-	Rs. 97,654/-
Loans & Advances (Paid)	M/s Valecha LM Toll Pvt Ltd	Rs. 83,242/-	Rs. 83,242/-
Equity Contribution	M/s Valecha Infrastructure Limited (VIL)	Rs. 3,70,00,000/-	Rs. 3,70,00,000/-
Equity Contribution	M/s. Artefact Infrastructure Limited (AIL)	Rs. 1,30,00,000/-	Rs. 1,30,00,000/-
Compulsory Convertible Debentures	M/s Valecha Infrastructure Limited (VIL)	Rs. 14,80,00,000/-	Rs. 14,80,00,000/-
Compulsory Convertible Debentures	M/s. Artefact Infrastructure Limited (AIL)	Rs. 5,20,00,000/-	Rs. 5,20,00,000/-



## 26. Segment Reporting

The Company is a special purpose vehicle which has a single special purpose of development of Badwani \_ Palsood – Sendhwa Road Section in the state of Madhya Pradesh on BOT basis; therefore the only segment of company as per Ind AS 108.

## 27. Earnings per Share (EPS):

(Amount in Rs.)

	31.03.2023	31.03.2022
Net Profit attributable to equity shareholders	24,57,771	(41,69,062)
Weighted average number of shares for Basic and Diluted EPS (Numbers)	50,00,000	50,00,000
Basic & Diluted Earnings Per share (Equity share of Rs. 10/- each)	0.49	(0.83)

## 28. Provision for Taxes:

**Current Tax:** The Provision for income tax is determined in accordance with the provisions of Income Tax Act 1961.

## 29. Deferred Tax Assets:

The Company on the basis of prudence has preferred not to recognize the deferred tax assets amounting to Rs. 60,68,955/- (P.Y. Rs. 1,37,20,694/-)

## 30. Auditors Remuneration (including taxes):

Particulars	(Amount in INR)	(Amount in INR)
	2022-23	2021-22
Statutory Audit	1,25,000	1,25,000
Limited Reviews Certification	30,000	30,000
Tax Audit	40,000	40,000
GST	35,100	35,100
<b>Total</b>	<b>2,30,100</b>	<b>2,30,100</b>

31. During the year the Bank of Baroda has charged interest at higher rate than agreed interest as per sanctioned letter and computed with effect from February 2020 and one time interest effect of Rs. 1.74 crores has been charged to term loan account and continued with such higher interest on monthly basis, whereas in last term loan renewal interest rate was approved @ 11.15%. Even though during the year the Company has accounted for additional interest in the books of accounts as per term loan statement however it doesn't tantamount to acceptance of said additional interest.

32. The Company has incurred substantial losses from its operations for the last few years which have eroded its net worth substantially. This raises doubt about its ability to continue as going concern. However, the management is of the opinion that on approval of Master Restructuring Agreement by



the banks, increase in toll collection due to yearly rate revision and consistent growth in the traffic, the company will be able to return profitability over the next few years. Hence the financial statements have been prepared assuming that the company will continue as going concern. No adjustments are, hence, made in the financial statement that might result from the outcome of this uncertainty.

### **33. Note on Going Concern of Ultimate Holding Company:**

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

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

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

34. 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.

### **35. Contingent Liabilities:**

There are pending legal cases against the Company, which may have material impact on the financial position of the Company, which mainly include an appeal preferred by the income tax department before Hon'ble High Court of Bombay for Assessment Year 2013-14 for disallowance of depreciation which have tax effect of Rs. 5.72 crores. Further there is no contingent Liabilities as on the date of balance sheet except as stated above.

### **36. Disclosures Under The Micro, Small And Medium Enterprises Development Act, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments during the years ended March 31, 2023 and March 31, 2022. The above is based on the information available with the Company which has been relied upon by the auditors.

### **37. 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.



38. 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.
39. The Company has not revalued any Property, Plant & Equipment nor any Intangible assets.
40. 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.
41. 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.
42. The Company does not hold any intangible assets under development and accordingly, no ageing nor completion schedule is provided.
43. The Company has granted loans to promoters, directors, key managerial persons and related parties as defined under Companies Act, 2013.( Refer Note. No. 6)
44. 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.
45. 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.
46. The Company have borrowings from banks or financial institutions as per Notes No. 09. and, there is reporting requirement required regarding utilisation of funds for specific purpose for which it was obtained.
47. 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
48. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
49. The Company does not have any transactions with companies struck off.
50. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.



51. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

52. 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.

53. 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.

54. The Company has not entered into any scheme of arrangement.

55. The previous year figures in balance sheet have been reworked, regrouped, rearranged, and reclassified wherever necessary.

As per our report of even date

For Rajratan Kothari Associates  
Firm Registration No: 113704W

For and on behalf of the Board

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

  
Anil Sakharan Korpe  
Director  
DIN : 07543339

  
Santosh Kumar Patro  
Director  
DIN : 07571177



**Valecha Badwani Sendhwa Tollways Limited**  
**Notes on Accounts Forming Part of the Balance Sheet as at 31<sup>st</sup> March, 2023**

**A. BACKGROUND :**

**1. Corporate Information:**

Valecha Badwani Sendhwa Tollways Limited (“The Company” or “VBSTL”) is a Company incorporated in India on 7<sup>th</sup> April 2011 with the registered office at Valecha chamber, 4<sup>th</sup> Floor, Andheri New Link Road, Andheri (W), Mumbai -400 053. VBSTL is a subsidiary Company of Valecha Infrastructure Limited which holds 74% of the equity share capital of the Company. The remaining 26% of the equity capital is held by Artefact Infrastructure Limited.

VBSTL has been set up to Design, Engineering, Construction, Development, Finance, Operation and maintenance, construction of Two/ Intermediate Laning Road of Badwani - Palsood - Sendhwa Road Section, in the state of Madhya Pradesh on Toll Plus Annuity basis.

The financial statements were authorized for issue by the Company’s Board of Directors on 1<sup>st</sup> May 2023 Pursuant to the provisions of section 130 of the Act.

**2. Concession Arrangement entered into between VBSTL and MPRDC**

The ‘Concession Agreement’ entered between Valecha - Badwani - Sendhwa Tollways Limited (VBSTL) and Madhya Pradesh Road Development Corporation (MPRDC), the government of Madhya Pradesh, conferred the right to the Company to implement the project and recover the project cost, through the Semi Annual Annuity of Rs 4.97 Crores and also through the levy of fees/toll revenue, with a designated rate of return over operation period after Commercial Operation Date, during 15 years of concession period commencing from the 4<sup>th</sup> October 2011, i.e. the date of financial closure.

**3. Commencement of Commercial Operation**

The Company has achieved its Commercial Operation Date “COD” and started its commercial operation of collection of user fee i.e. Toll Collection from 03<sup>rd</sup> July 2012.

**B. SIGNIFICANT ACCOUNTING POLICIES :**

**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. 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.

## **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.

## **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.

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.

## **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.

### **Financial assets**

#### **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)



### **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.

### **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.

### **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 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.



## **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.

## **Financial Liabilities**

### **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.

### **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.

### **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.

### **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.

### **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.

### **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.

### **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.

## **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 Badwani - Sendhwa 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.

## **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.

#### **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.

#### **8. 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 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.

#### **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.

#### **Amortization of concession intangible assets**

The Intangible asset recognized are amortised over the concession period on proportionate basis.



## **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.

## **9. 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.

## **10. Taxes**

### **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.

### **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.

#### **11. 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.

#### **12. 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.

#### **13. 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.



#### **14. Employees' Benefits :**

##### **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.

##### **Post - employment obligations**

###### **A. 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.

#### **15. 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.

#### **16. 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.

##### **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 MPRDC 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 MPRDC.



## **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.

## **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.

## **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.

## **17. 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 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  
Firm Registration No: 113704W

For and on behalf of the Board

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

  
Anil Sakharam Korpe  
Director  
DIN : 07543339

  
Santosh Kumar Patro  
Director  
DIN : 07571177



# VALECHA BADWANI SENDHWA TOLL WAYS LIMITED

(CIN : U45203MH2011PLC215905)

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Date: 20<sup>th</sup> July 2023

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

Dear Sir(s),

## **Re: Statutory Audit as per Indian GAAP (IndAS) for the year ended March 2023**

In connection with your audit of the financial statements of Valecha Badwani Sendhwa Tollways Limited for the year ended March 31, 2023, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) specified under Section 133 of the Company's Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. We acknowledge our responsibility for preparation of financial statements in accordance with the requirements of the Companies Act, 2013 including applicable Indian Accounting Standards referred to in Section 133 of the Act, other relevant acts and recognized accounting policies and practices as per Indian Generally accepted accounting principles (Indian GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

The Company has been awarded to carry on the business of Design, Engineering, Construction, Development, Finance, Operation and maintenance, construction of Two/ Intermediate Lining Road of Badwani - Palsod - Sendhwa Road Section, in the state of Madhya Pradesh on Toll Plus Annuity basis. The Concession Agreement dated April 13, 2011 with Madhya Pradesh Road Development Corporation Limited. The 'Concession Agreement' entered between Valecha - Badwani - Sendhwa Tollways Limited (VBSTL) and Madhya Pradesh Road Development Corporation (MPRDC), the government of Madhya Pradesh, conferred the right to the Company to implement the project and recover the project cost, through the Semi Annual Annuity of Rs 4.97 Crores and also through the levy of fees/toll revenue, with a designated rate of return over operation period after Commercial Operation Date, during 15 years of concession period commencing from the 4th October 2011, i.e. the date of financial closure.



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Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

## **1. Management's responsibilities**

We recognize that, as members of management of the Company, we are responsible for the fair presentation of its financial statements as per Indian Accounting Standard (IndAS). Being first year of IndAS financials, we have fulfilled our responsibilities for the preparation and presentation of the financial statements of financial position, results of operations and cash flows, as set out in the terms of audit engagement and, in particular, the financial statements are fairly presented in conformity with First time adoption and IndAS. We also believe that we have made all the required disclosures in Notes to the Financial Statements. We have made available to your representatives all financial records and related data.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

The financial statements are free of material misstatements, including omissions. The operations have been conducted based on the delegation of power as approved by the Board of Directors.

All the money received / paid has been recorded during the course of the business and no amount is left unrecorded or is wrongly entered.

## **2. Unrecorded audit differences**

There are no unrecorded audit differences (including the effects of correcting or reversing prior year audit differences) relating to the current year financial statements.

## **3. Minutes and contracts**

We have shown you all minutes of the meetings of shareholders and directors for the year ended March 2023 or summaries of actions of recent meetings for which minutes have not yet been prepared. We also have made available to you all significant contracts and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. We confirm that there are no minutes or agreements other than as shown / provided to you.

## **4. Internal control**

There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the financial statements.

There have been no significant changes in internal control since March 31, 2018.



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## 5. *Risks and uncertainties*

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

## 6. *Ownership and pledging of assets*

The Company has satisfactory title to all assets appearing in the balance sheet. No security agreements have been executed and there are no liens or encumbrances on assets, nor has any asset been pledged except as disclosed in the financial statements. All assets to which the Company has satisfactory title appear in the balance sheets.

The Company maintains the fixed assets register detailing all the assets as required. As per the policy, the company has conducted the physical verification of its fixed assets and no major deviation has been found between book record and physical record.

## 7. *Subordinate Debt*

The company has availed a subordinate debt aggregating to Rs. 176.24 Lakhs as on 31<sup>st</sup> March 2023, from its holding company. The repayment of the same is based on the available cash flow after repayment of the entire secured loans to lenders and carries nil rate of interest.

## 8. *Current Assets and Liabilities*

The carrying amounts reported in the balance sheets for Cash and Bank Balances, Inventories, Accounts receivable, Current Loans and Advances, Accounts payable and accrued liabilities, Employee related payables and Other Short term liabilities is equivalent to their realizable value.

## 9. *Investments*

We have no investments in any of the companies including affiliates except stated in the financial statement. The Company has clear title to all its investments. There are no charges against the investments of the Company.

## 10. *Intangible assets*

There are no intangible assets as on the date of balance sheet except which has been stated in the financial statement.

## 11. *Intangible assets under development*

There is no intangible asset under development as on March 31, 2023.

## 12. *Related party transactions*

Transactions and relations with related parties, as defined in AS 18, amounts receivable or payable, including providing / receiving services, sales, purchases, loans, transfers, leasing arrangements and guarantees, etc. have been properly recorded and disclosed in the financial statements and are entered at arm's length.



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The disclosures made in the financial statements are adequate having regard to the framework under which the financial statements have been drawn. We also confirm the completeness of the information provided regarding the identification of related parties.

The list of related parties is as given below:

Promoters & Associates	Relationship
M/s.Valecha Infrastructures Ltd (VIL)	Holding Company
M/s.Artefact Infrastructure Limited (AIL)	Share holder holding 26% of Share capital
M/s.Valecha Engineering Limited (VEL)	Ultimate Holding Company
M/s Valecha LM Toll Private Limited	Fellow Subsidiary
M/s Valecha Kachchh Toll Roads Limited	Fellow Subsidiary

### 13. *Contingent liabilities*

There are no unasserted claims or assessments, including those our lawyers have advised us of, which are probable of assertion and must be disclosed other than those disclosed in the financial statements.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency other than those disclosed or accrued in the financial statements.

There have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction, noncompliance with or deficiencies in financial reporting practices, or other matters that could have a material effect on the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued other than those accrued or disclosed in the financial statements, nor are there any accruals for loss contingencies included in the balance sheets.

### 14. *Oral or written guarantees*

There are no oral or written guarantees other than those reported in the financial statements, including guarantees of the debt of others.

### 15. *Commitments*

At March 31, 2023, the Company had no commitments, other than those reflected in financial statements.



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## **16. Fraud**

We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have disclosed to you all allegations of financial improprieties, including fraud or suspected fraud, coming to our attention (regardless of the source or form and including, without limitation, allegations by "whistle-blowers") where such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company.

## **17. Independence and conflicts of interest**

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

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

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

## **18. Retirement benefits**

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

## **19. Derivative Contracts**

We confirm that there are no agreements that are binding in nature and resulting in identification of embedded derivatives.

## **20. Tax planning strategies**

We have disclosed to you all significant tax planning strategies that were put in place during the current year or prior years that could materially affect the current year provision for income taxes, or the recorded amount of tax assets or liabilities.

## **21. Tax accounting methods**

We recognize that we are responsible for the Company's compliance with tax laws and regulations that are applicable to it. We have identified and disclosed to your representatives all significant methods of accounting used under the applicable jurisdictional tax laws and regulations that materially affect the determination of financial statement amounts.



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## 22. Subsequent events

Subsequent to March 31, 2023, no events or transactions have occurred or are pending, other than those disclosed in the notes to the financial statements, that would have a material effect on the financial statements at that date or for the period then ended, or that are of such significance in relation to the Company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations or cash flows of the Company.

## 23. Accounting policies

The accounting policies which are material or critical in determining the results of operations for the year or financial position are set out in the financial statements and are consistent. The accounting policies are drawn up in accordance with the generally accepted accounting policies in India.

## 24. Liabilities & provisions

We have accounted all known liabilities in the financial statements. However, in respect of accounts payables the company is in the process of obtaining confirmation / reconciliation from the parties.

Provision has been made in the accounts for all known losses and claims of material amounts.

## 25. Cash & Bank Balances

The cash & Bank balance of the company as at 31.03.2023 was Rs. 44.07 Lakhs. All the bank accounts have been reconciled at the year end and entries are properly recorded.

## 26. Revenue on Toll Collection

The toll collection from users of facility is accounted for as and when the amount is due and recovery is certain. The company has proper internal control system for recognition of toll revenue.

## 27. Others

- The company has not granted, secured or unsecured loans to companies, firms and other companies, or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- During the financial year 2022-23, the company has not accepted any public deposits.
- The company has not defaulted in repayment of dues to any financial institutions or bank.
- The company has not defaulted in payment of deposit, loan and interest thereon and accordingly the directors of the company are not restricted from being appointed as a director in terms of sub-section (2) of section 164 of the Company's Act.



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- No expenses of personal nature (other than those payable under contractual obligations or in accordance with generally accepted business practice) and / or not related to the Company's business have been charged to the Company's accounts.
- There are no undisputed amounts payable in respect of Wealth tax, GST, Service tax, Interest tax, Sales tax, Customs duty, Excise duty and Cess outstanding as at the year end for a period of more than 6 months from the date they became payable during the year. There are no disputed / contingent liabilities against income tax / sales tax / wealth tax / service tax / customs duty / Excise Duty / GST/ cess other than those which are stated in notes to accounts.
- All legal requirements regarding agreements relating to the Rent, Security, deposits, Lease and hire purchase have been complied with.
- The maintenance of cost records is not applicable as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013.
- The financial statements and appended notes thereto, include all material disclosures necessary for these accounts to show a true and fair view of the state of affairs and the results of operations of the Company and disclosures required to be made therein under the Companies Act, 2013 / respective accounting standards and are free of material misstatements, including omissions.
- All events subsequent to the Balance Sheet date have been fully considered in preparing the accounts and no other matter has come to our attention up to the time of signing this letter which would materially affect the accounts and the related disclosures for the year ended 31.03.2023.
- Hon'ble, NCLT, Mumbai, passed order dated 21.10.2022 in the Parent Company Petition no. CP (IB) No.594/MB-IV/2021 filed by STATE BANK OF INDIA, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against Valecha Engineering Limited ( The Parent Company), Corporate Debtor/Respondent, for initiating Corporate Insolvency Resolution Process (CIRP).
- Mr. Anurag Kumar Sinha, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IP-P00427/2017-18/10750] has been appointed as Interim Resolution Professional (Later on confirmed as RP by COC), to carry out the functions as mentioned under I&B Code for running of CIRP of the Company, filed by the Financial Creditor /Petitioner State Bank of India.

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

- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- There are no contracts or arrangements entered during the year which needs to be entered in the register required to be maintained under Section 189 of the Companies Act, 2013.
- No director of the Company is holding any office or place of profit, without the consent of the Company accorded by a special resolution. Also, no partner or relative of such director, no firm in which such director, or a relative of such director, is a partner, no



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private company of which such director is a director or member, and no director or manager of such a private company, is holding any office or place of profit.

- There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- Loans and advances made by the Company have not been shown as deposits.
- The Company is regular in depositing provident fund dues with the appropriate authorities. The employees of the Company are not covered under Employees State Insurance Scheme.
- None of the directors is disqualified as on 31.03.2023 from being appointed as director in terms of sub section (2) of section 164 of the companies Act, 2013.
- There were no pending litigations which would impact the financial position of the company.
- The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- The company is not a Nidhi Company
- The Company has not entered into any transaction in respect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013
- Fixed assets have been physically verified by the management in phased manner. No material discrepancies were noted on such verification.
- The company has not entered into any non-cash transaction with directors or persons connected with him.
- Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- Further we confirm that we have complied with all relevant guidelines/notifications issued by Reserve Bank of India from time to time in respect of holding and dealing with Specified Bank Notes, and that the company had proper controls, system and procedures in place for such compliances.
- The company has designed, implemented and maintained the adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



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- The company has not carried out the internal audit during the year 2022-23.
- During the year Gratuity Provision for employee working for more than 5 years has not been made in books and also no actuarial valuation was carried out in these regards.

We do hereby also certify that all the conditions of the concessionaire agreement with MPRDC are being fulfilled by the company and there is no dispute with MPRDC which can affect the financial position of the Company.

We understand that your audits were conducted in accordance with the Indian generally accepted auditing standards and were, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the Company taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

For, Valecha Badwani Sendhwa Tollways Limited

*AKS*

Anil Sakharam Korpe  
Director  
(DIN : 07543339)

*Santosh Kumar Patro*

Santosh Kumar Patro  
Director  
(DIN : 07571177)

