

RAJRATAN M. KOTHARI

B.COM. F.C.A.

RAJRATAN KOTHARI ASSOCIATES  
CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Members of Valecha Infrastructure Limited  
Report on the Audit of the Standalone Financial Statements

### 1. Qualified Opinion

We have audited the accompanying standalone financial statements of **M/s. Valecha Infrastructure Limited ("the Company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and its losses (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### 2. Basis for Qualified Opinion

a. *The company continues to prepare its standalone Financial Statements on going concern basis even though it has accumulated losses of Rs. (2,05,54,42,965/-) (Previous year: Rs (1,41,47,32,835/-)) and a Negative net worth of Rs. (2,02,56,47,066/-) (Previous year: Negative net worth of Rs. (1,38,49,36,936/-)). During the year ended March 31, 2021, the Company incurred a net loss of (Rs. 64,07,10,131/-) (Previous year: net loss of Rs 12,13,03,334/-). As stated in Note 17, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Further it had continued defaulted in repayment of its financial obligation including interest as stated in Note 20 of the standalone financial statement. Further we are unable to comment on the recoverability of the strategic investment made in subsidiaries.*

b. *As stated in Note 19, Valecha LM Toll Private Limited (VLMTPL), a subsidiary of the Company has been admitted to National Company Law Tribunal (NCLT) on 29.03.2019 in view of the insolvency petition filed by Axis Bank Limited under section 7 of the Insolvency and Bankruptcy Code, 2016 and consequently Interim Resolution Professional ("IRP") was appointed by the NCLT who was subsequently confirmed and appointed as Resolution Professional by COC. The Company was referred to Hon'ble NCLT, Mumbai for order for liquidation and on 27th October, 2020, the NCLT passed liquidation order of the Company and liquidation process has commenced. Further, as per Regulation 32(a) to Regulation 32(d) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("Liquidation Regulations"), the assets of the Company were e-auctioned on September 17, 2021, Accordingly, the Company has provided for diminution in the value of investment in Equity Shares and Compulsory Convertible Debentures, Rs. 7,40,00,000/- and Rs. 37,31,00,000/- respectively.*



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

### 3. Emphasis of Matter

*Without qualifying our opinion, we draw attention to Note No.18 of standalone financial statement regarding assessment of going concern of parent company i.e. Valecha Engineering Limited, where company has obtained unsecured loan of Rs. 137.97 crores and paid net advances of Rs. 16.02 lakhs towards EPC contract to its parent company resulting into net liability Rs. 121.95 crores.*

*Further we draw attention to Note No.21 of standalone financial statement regarding non-reconciliation /non-confirmation of balances of certain loans and advances, impact whereof presently cannot be commented.*

### 4. Information Other than the Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to state in this regard.

### 5. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that



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were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### 6. Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. We conclude that a material uncertainty exists, accordingly we draw attention in our auditor's report to the related disclosures in the financial statements (Refer Note 17 and 18 of Financial Statement) and our report is not modified in respect of this matter. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## 7. Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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



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- a. The Company does not have any pending litigations which would impact its financial position.
- b. The company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses;
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information's and according to the explanations given to us, no remuneration paid by the Company to its directors during the year.

For RAJRATAN KOTHARI ASSOCIATES

Chartered Accountants

Firm Regn. No: 11370

*R.M. Kothari*

R.M.KOTHARI

Proprietor

Membership No. 032478

UDIN: 22032428AAAABC2105



Place: Mumbai  
Date: 23-11-2021

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**Annexure A to the Auditor's Report**

The annexure referred to in Independent Auditors' Report to the member of the Valecha Infrastructure Limited ("the Company") on the standalone financial statement for the year ended 31<sup>st</sup> March 2021, we report that;

**(i) Fixed Assets**

As there are no fixed assets, provision of paragraph of (i) (a), (b) and (c) of the order are not applicable.

**(ii) Inventories**

There were no inventory lying as on 31.03.2021, accordingly, the provisions of clause (ii) of the Order is not applicable to the company.

**(iii) Loans given**

According to information and explanations given us, the Company has granted unsecured loans to companies in the register under Section 189 of the Companies Act, 2013, in respect of which

- a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, Prejudicial to the Company's interest.
- b) The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayment or receipt of the principal amount and the interest are regular.

Since the schedule of repayment has not been stipulated, the provisions of paragraph 3 (iii)(c) of the Order are not applicable to the Company.

**(iv) Compliance of Sec. 185 & 186**

According to the information and explanations given to us, the Company has not given loans or guarantees to its directors or other persons in which a director is interested or provide security in connection with a loan and as such section 185 of the Companies Act is not applicable.

**(v) Public Deposit**

During the year, the company has not accepted any deposits from the public. Accordingly reporting under paragraph 3 (v) of the order is not applicable to the Company.

**(vi) Cost Records**

To the best of our knowledge and according to the information and explanation provided to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act.



*RK*

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(vii) Statutory Dues

- a) The Company is generally been regular in depositing its undisputed statutory dues to appropriate authorities. There were no undisputed statutory dues outstanding as on 31<sup>st</sup> March, 2021 for more than six months from the date it became payable except Tax Deducted at Source (Income Tax) of Rs. 14,750/- is unpaid.
- b) According to the information and explanations given to us, there are no amounts in respect of income tax, service tax etc. that have not been deposited with the appropriate authorities on account of any dispute.

(viii) *The company has defaulted in repayment of dues to banks.*

In our opinion and according to the information and explanations furnished to us by the Company the following default existed in the repayment of the due to the financial institutions and Banks at the date of the balance sheet.

Particular	Principal Default amount Rs.	Interest Outstanding Rs.	Period of Default
Yes Bank	78,26,04,125	35,38,12,457	Default continues for more than 3 years

- (ix) The Company didn't raise any money by way of initial public offer or further public offer or term loans during the year. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanation given to us, and based on the audit procedure performed by us, we report that no fraud by the Company or no fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to information & explanations given to us, the Company has not paid any managerial remuneration to its directors. Accordingly, reporting under paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable to the Company.



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- (xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

For RAJRATAN KOTHARI ASSOCIATES

Chartered Accountants

Firm Regn. No: 113

*R.M. Kothari*

R.M.KOTHARI

Proprietor

Membership No. 032428

UDIN: 22032428AAAABC2105



Place: Mumbai

Date: 23-11-2021



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## ANNEXURE B

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

#### Opinion

We have audited the internal financial controls over financial reporting of M/s. Valecha Infrastructure Limited ("the Company") as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the audit judgement, including the assessment of the risks of material misstatement of the financial statements, due to fraud or error.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For RAJRATAN KOTHARI ASSOCIATES

Chartered Accountants

Firm Regn. No. 15724000

R.M.KOTHARI

Proprietor

Membership No. 15724000

UDIN: 22032428AAAABC2105

Place: Mumbai

Date: 23-11-2021



# Valecha Infrastructure Limited

**Balance Sheet as at 31st March 2021**

Particulars		(Amount in INR)		
		Note No	As at 31st March, 2021	As at 31st March, 2020
<b>I.</b>	<b>ASSETS</b>			
1	<b>Non-Current Assets</b>			
	Investment in the nature of equity in subsidiaries	1	185,035,200	632,100,000
	<b>Total Non Current Assets</b>		<b>185,035,200</b>	<b>632,100,000</b>
2	<b>Current Assets</b>			
	<b>Financial Assets</b>			
	(a) Cash and Cash equivalents	2	39,433	38,671
	(b) Loans	3	356,870,657	356,870,657
	(c) Other Current Assets	4	237,988	211,738
	<b>Total current Assets</b>		<b>357,148,077</b>	<b>357,121,065</b>
	<b>TOTAL ASSETS</b>		<b>542,183,277</b>	<b>989,221,065</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity Share Capital	5	500,000	500,000
	(b) Other Equity	6	(2,026,147,066)	(1,385,436,936)
	<b>Total Equity</b>		<b>(2,025,647,066)</b>	<b>(1,384,936,936)</b>
2	<b>Non Current Liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	Borrowing		-	-
	<b>Total Non-Current Liabilities</b>		-	-
3	<b>Current liabilities</b>			
	<b>Financial Liabilities</b>			
	(a) Borrowing	7	2,163,820,040	2,163,824,590
	(b) Other current Liabilities	8	404,010,303	210,333,410
	<b>Total Current Liabilities</b>		<b>2,567,830,343</b>	<b>2,374,158,000</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>542,183,277</b>	<b>989,221,065</b>

The notes form an integral part of these financial statements

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

FRN: 113704W

*Rajratan M Kothari*

Rajratan M Kothari

Proprietor

Membership No : 032428

Place : Mumbai

Date : 23rd November 2021



For and on behalf of the Board

*Vijaykumar Himatlal Modi*  
Vijaykumar Himatlal Modi  
(Director)  
DIN : 01224842

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

# Valecha Infrastructure Limited

Profit & Loss for the Period Ended 31st March 2021

Particulars	Note No	As at 31st March, 2021	As at 31st March, 2020
I. Revenue from operations		-	-
II. Other income	9	350,000	350,000
III. Total Revenue (I + II)		350,000	350,000
IV. Expenses:			
Employees Benefit Expenses		150,000	240,000
Finance costs	10	193,733,493	121,301,703
Other expenses	11	76,638	111,631
Total expenses		193,960,131	121,653,334
V. Loss before exceptional and extraordinary items and tax (III-IV)		(193,610,131)	(121,303,334)
VI. Exceptional items			
Loss on diminution in value of Investment		447,100,000	-
Total Exceptional items		447,100,000	-
VII. Loss before extraordinary items and tax (V - VI)		(640,710,131)	(121,303,334)
VIII. Extraordinary Items		-	-
IX. Loss before tax (VII- VIII)		(640,710,131)	(121,303,334)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Loss for the period		(640,710,131)	(121,303,334)
Xii Other Comprehensive Income			
Items that will not be classified to profit & loss			
Investment in Equity Instrument		-	-
Transaction with owners in their capacity as owners		-	-
Total Comprehensive Income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)		(640,710,131)	(121,303,334)
XII Earnings per equity share:			
(1) Basic		(12,814)	(2,426)
(2) Diluted		(12,814)	(2,426)

The notes form an integral part of these financial statements

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

FRN: 113704W

Rajratan M Kothari

Proprietor

Membership No : 032428

Place : Mumbai

Date : 23rd November 2021

For and on behalf of the Board



*Vijaykumar Himatlal Modi*

Vijaykumar Himatlal Modi

(Director)

DIN : 01224842

*Anil Sakharam Korpe*

Anil Sakharam Korpe

(Director)

DIN : 07543339

## Valecha Infrastructure Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2021

	Particulars	As at 31.03.2021	As at 31.03.2020
<b>A</b>	<b>Cash flow from Operating Activity</b>		
	Loss Before Tax and Extraordinary Item	(640,710,131)	(121,303,334)
	<b>Add / (Deduct) Adjustment for :</b>		
	Loss on diminution in value of investments	447,100,000	0
	Diminution In The Value Of Investment		
	Impairment of CWIP		
	Interest Paid	193,733,493	121,301,703
	<b>Operating Profit/(Loss) before working capital changes</b>	<b>123,362</b>	<b>(1,631)</b>
	Increase in Current Liabilities	193,676,893	119,857,584
	(Increase)/Decrease in Short Term Loans and Advances	0	8,000
	(Increase)/Decrease in Other Current Assets	(26,250)	(35,000)
	Trade and other Receivable		
	Trade and other Payables		
	<b>Net Cash Flow from Operating Activity</b>	<b>193,774,005</b>	<b>119,828,953</b>
<b>B</b>	<b>Cash Flow from Investing Activity</b>		
	Purchase of Investments	(35,200)	0
	<b>Net Cash flow From Investing Activity</b>	<b>(35,200)</b>	<b>0</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Increase in Other Equity		
	Interest Paid	(193,733,493)	(121,301,703)
	Proceeds from/(Repayment of) Short term borrowing	(4,550)	(11,100)
	Proceeds from/(Repayment of) Long term borrowing	0	0
	<b>Net Cash From Financing Activities</b>	<b>(193,738,043)</b>	<b>(121,312,803)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>762</b>	<b>(1,483,850)</b>
	Opening Balance of Cash and Cash Equivalents	38,671	1,522,521
	Closing Balance of Cash and Cash Equivalents	39,433	38,671

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

FRN: 113704W

*Rajratan M Kothari*  
Rajratan M Kothari  
Proprietor  
Membership No : 032428

Place : Mumbai

Date : 23rd November 2021

For and on behalf of the Board



*Vijaykumar Himatlal Modi*  
Vijaykumar Himatlal Modi  
(Director)  
DIN : 01224842

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

# Valecha Infrastructure Limited

## Statement of changes in equity

### A. Equity Share Capital

Particulars	Amount
Balance as at March 31, 2020	500,000
Changes in equity share capital during the year	-
Balance as at March 31, 2021	500,000

### B. Other Equity

Particulars	Retained Earnings	Corporate Guarantee	Total
Balance as at Mar 31, 2020	(1,414,732,835)	29,295,899	(1,385,436,936)
Profit for the year	(640,710,131)	-	(640,710,131)
Other comprehensive income	-	-	-
Balance as at Mar 31, 2021	(2,055,442,966)	29,295,899	(2,026,147,067)

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

FRN: 113704W

Rajratan M Kothari

Membership No : 032428

Proprietor

Place : Mumbai.

Date : 23rd November 2021

For and on behalf of the Board

Vijaykumar Himatlal Modi  
(Director)  
DIN : 01224842

Anil Sakharam Korpe  
(Director)  
DIN : 07543339



## Valecha Infrastructure Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2021

Note 1 Investment	As at 31st March, 2021	As at 31st March, 2020
<b>Investment in Equity Shares of Subsidiaries - Unquoted</b>		
Investment in Valecha Badwani Sendhwa Tollways Limited [37,00,000 (Pr. Yr. 37,00,000) Equity Shares Face Value of Rs 10 Each]	37,000,000	37,000,000
Investment in Valecha LM Toll Private Limited (VLMTPL) [74,00,000 (Pr. Yr. 74,00,000) Equity Shares Face Value of Rs 10 Each]	74,000,000	74,000,000
Less: Diminution in the value of investment in Eq. Share of VLMTPL (Refer Note 18)	(74,000,000)	-
Investment in Gopaldas Vasudev Construction Limited [352 Equity Shares Face Value of Rs 100 Each]	35,200	-
<b>Investment in Debentures of subsidiary - Unquoted</b>		
Investment in CCD - Valecha LM Toll Private Limited [3,73,10,000 (Pr. Yr. 3,73,10,000) CCD Face Value of Rs 10 Each]	373,100,000	373,100,000
Less: Diminution in the value of investment in CCD of VLMTPL (Refer Note 18)	(373,100,000)	-
Investment in CCD- Valecha Badwani Sendhwa Tollways Limited [1,48,00,000 (Pr. Yr. 1,48,00,000) CCD Face Value of Rs. 10 Each]	148,000,000	148,000,000
<b>Total</b>	<b>185,035,200</b>	<b>632,100,000</b>
<b>Note 2 Cash and cash equivalents</b>		
	As at 31st March, 2021	As at 31st March, 2020
1) Cash on Hand	-	-
2) Balances with Banks In Current Accounts	-	-
Canara Bank	9,206	8,444
Yes Bank	30,226	30,226
<b>Total</b>	<b>39,433</b>	<b>38,671</b>
<b>Note 3 Loans and Advance to related parties</b>		
	As at 31st March, 2021	As at 31st March, 2020
Loans and Advance to related parties	356,870,657	356,870,657
<b>Total</b>	<b>356,870,657</b>	<b>356,870,657</b>
<b>Note 4 Other Current Assets</b>		
	As at 31st March, 2021	As at 31st March, 2020
TDS Receivable	237,988	211,738
<b>Total</b>	<b>237,988</b>	<b>211,738</b>



# Valecha Infrastructure Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2021

Amount in INR

Note 5	SHARE CAPITAL	As at 31st March, 2021	As at 31st March, 2020
(I) Authorised Share Capital	20,00,000 Equity Shares of Rs 10 each	20,000,000	20,000,000
	40,00,000 Preference Share of Rs 10 each	40,000,000	40,000,000
		60,000,000	60,000,000
(II) Equity Shares - Issued, Subscribed and Paid up	50,000 Equity Shares of Rs 10 each	500,000	500,000
		500,000	500,000

### (III) Reconciliation of Number of shares Equity Share

Particular	As at 31st March, 2021		As at 31st March, 2020	
	No. of Share	Amount	No. of Share	Amount
At the beginning of the year				
Add: Issued during the year	50,000	500,000	50,000	500,000
At the end of the year	50,000	500,000	50,000	500,000

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

Particular	As at 31st March, 2021		As at 31st March, 2020	
	No. of share	% of holding	No. of share	% of holding
M/s. Valecha Engineering Ltd. (and it's nominee)	50,000	100	50,000	100
	50,000	100	50,000	100

### (V) Terms / Rights attached to Shares:

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

### Note 6 OTHER EQUITY

	As at 31st March, 2021		As at 31st March, 2020	
(I) Surplus / (Deficit) in Statement of Profit & Loss				
Balance Brought Forward	(1,414,732,835)		(1,293,429,501)	
Other Comprehensive Income/(Loss)				
Surplus / (Deficit) in Statement of Profit & Loss during the Year	(640,710,131)	(2,055,442,965)	(121,303,334)	(1,414,732,835)
Transaction with owners in their capacity as owners				
Corporate Guarantee Fees		29,295,899		29,295,899
<b>Total</b>		<b>(2,026,147,066)</b>		<b>(1,385,436,936)</b>

### Note No. 7 Short-Term Borrowings

	As at 31st March, 2021		As at 31st March, 2020	
Secured				
(I) Term Loan From Yes Bank (Secured)		782,604,125		665,722,325
Nature Of Security	Term Loan is secured by pledge of shares and immovable property of Valecha Engineering Limited			
Terms of Repayment	Term Loan I - Repayable in 18 quarterly installment with the last installment due in March 2021. Rate of interest @ 11.50%			
	Term Loan II - Repayable in 18 quarterly installment with the last installment due in March 2021. Rate of interest @ 11.05%			

The Company has defaulted in repayment of loans and interests as at & for the period ended 31st March 2021

Particulars	Period of Default	Amount of Default as at 31st March 2021				
		Principal	Interest	Total		
YES BANK	30 to 1126 Days	782,604,125	403,707,873	1,186,311,998		
(II) Loans & Advances from related parties						
Valecha Engineering Ltd			1,377,412,715		1,494,334,265	
Valecha Engineering Ltd (Valecha LM Toll Pvt Ltd)			2,300,000		2,300,000	
Valecha Investment Pvt Ltd.			1,503,200		1,468,000	1,498,102,265
<b>Total</b>				<b>1,381,215,915</b>	<b>1,468,000</b>	<b>1,498,102,265</b>
				<b>2,163,820,040</b>		<b>2,163,824,590</b>

### Note No. 8 Other Current Liabilities

	As at 31st March, 2021		As at 31st March, 2020	
Other Payable				
1) Statutory remittance		14,750		12,500
2) Interest Payable		403,707,873		209,974,380
6) Others		287,680		346,530
<b>Total</b>		<b>404,010,303</b>		<b>210,333,410</b>
		<b>404,010,303</b>		<b>210,333,410</b>





<b>Valecha Infrastructure Limited</b>			
<b>NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st March 2021</b>			
<b>Note 9</b>	<b>Other Income</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
1)	Consultancy Fees Received	350,000	350,000
2)	Interest Received	-	-
3)	Other Income	-	-
<b>Total</b>		<b>350,000</b>	<b>350,000</b>
<b>Note 10</b>	<b>Finance costs</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
	Interest Expense - On Borrowing	193,733,493	121,301,703
	Other Expenses on Borrowing	-	-
<b>Total</b>		<b>193,733,493</b>	<b>121,301,703</b>
<b>Note 11</b>	<b>Other expenses</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
1)	Payment to Auditors	35,400	35,400
2)	Corporate Guarantee Fees Exp	-	-
3)	Other Expenses	41,238	76,231
<b>Total</b>		<b>76,638</b>	<b>111,631</b>



Notes on Accounts Forming Part of the Balance Sheet as at 31<sup>st</sup> March, 2021

NOTES TO THE FINANCIAL STATEMENTS

(12) **Significant Accounting Policies:**

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

B. **Basis of Preparation of Accounts:**

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

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

C. **Cash Flow Statement:**

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

D. **Revenue Recognition:**

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

E. **Investments:**

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

F. **Borrowing Cost:**

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

G. **Provision for Current and Deferred Tax:**

**Current Tax:**

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

**Deferred Tax Provision:**

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

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



**H. Provisions and Contingencies:**

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

**I. Impairment of Assets:**

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



(13) Remuneration to Auditor:

(Rs. In Lacs)

Sl. No.	Detail	2020-21	2019-20
1	Audit Fee	0.30	0.30
2	GST/ST & Other Services	0.05	0.05
	<b>Total</b>	<b>0.35</b>	<b>0.35</b>

(14) Segment reporting:

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

(15) Related Party Disclosure:

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

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

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

B) Transaction with the Related Parties

(Rs. In Lacs)

(i) Transaction with Holding Company	2020-21	2019-20
<b>Valecha Engineering Limited</b>		
Loan Given/Repaid during the year	1168	(0.11)
Consultancy Fees Received	3.50	3.50
<b>(ii) Transaction with Subsidiary Company</b>		
<b>Valecha Badwani Sendhwa Tollways Ltd</b>		
Loan (Repaid) during the year	Nil	(0.08)
<b>(iii) Transaction with Associate Company</b>		
<b>(a) Valecha Kachchh Toll Roads Ltd.</b>		
Loan Given during the year	Nil	Nil
<b>(b) Valecha Power Ltd</b>		
(b) Loan Given during the year	Nil	Nil
<b>(C) Gopaldas Vasudev Construction Pvt Ltd</b>		
Loan Given during the year	Nil	Nil
Loan Received during the year	Nil	Nil
<b>(d) Valecha Investment Pvt Ltd</b>		
Loan Received during the year	0.35	Nil
<b>(iv) Transaction with Other Person</b>		
Mobilization Advances Received	Nil	Nil



**C) Balances Outstanding at the end of the year**

(Rs. In Lacs)

Nature of Transaction	2020-2021	2019-2020
Equity Capital by Holding Company – Valecha engineering Ltd	5.00	5.00
Equity Capital in Subsidiary Company - Valecha Badwani Sendhwa Tollways Ltd	370.00	1,110.00
Investment in CCD in Subsidiary Company - Valecha Badwani Sendhwa Tollways Ltd	1480.00	5,211.00
Advance Outstanding Receivable	3,568.70	3,568.78
Advance Outstanding Payable	13,812.15	14,981.13

**D) Key Management Personnel – Transaction Nil**

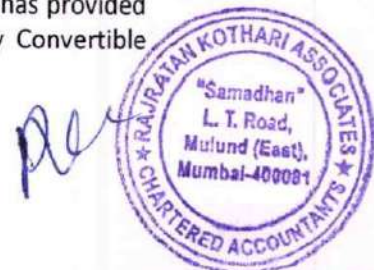
Note: - Particulars and Related Party is provided by the management and relied upon by the auditor.

**(16) Earnings per Share (EPS):**

(Amount in Rs.)

	31.03.2021	31-03-2020
Net Profit attributable to equity shareholders	(19,36,10,131)	(12,13,03,334)
Weighted average number of shares for Basic EPS (Numbers)	50,000	50,000
Earnings Per share (Per Equity share of Rs. 10 each)	(12814.20)	(2,426.07)

- (17) During the year Company has incurred substantial losses mainly due to Interest amount booked on yes bank Term loan and recognition of diminution in the value of investment in Equity Shares and Compulsory Convertible Debentures of Valecha LM Toll Pvt. Ltd. The Company has made strategic investments in its subsidiary Valecha Badwani Sendhwa Tollways Limited and expects improved performance in future, which will in turn increase the profitability of the Company. Hence the financial statements have been prepared assuming that the Company will continue as going concern. No adjustments are, hence, made in financial statement that might result from the outcome of this uncertainty.
- (18) Pursuant to Order dated 21st June 2021 of Hon'ble High Court of Bombay in the matter of liquidation of Valecha Engineering Limited ("Parent Company") where Hon'ble High Court has asked the Parent Company to present a proper scheme of revival of the Company to pay all dues of all the creditors of the Company.  
Pending final order of Hon'ble Bombay High Court in the matter of Holding company, parent company accounts have neither been prepared nor finalised nor audited for year ended 31st March 2021. Accordingly, financial statements of VIL has been prepared and no adjustments, if any, have been made.
- (19) Valecha LM Toll Private Limited (VLMPTL), a subsidiary of the Company has been admitted to National Company Law Tribunal (NCLT) on 29.03.2019 in view of the insolvency petition filed by Axis Bank Limited under section 7 of the Insolvency and Bankruptcy Code, 2016 and consequently Interim Resolution Professional ('IRP') was appointed by the NCLT who was subsequently confirmed and appointed as Resolution Professional by COC. The Company was referred to Hon'ble NCLT, Mumbai for order for liquidation and on 27th October, 2020, the NCLT passed liquidation order of the Company and liquidation process has commenced. Further, as per Regulation 32(a) to Regulation 32(d) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("Liquidation Regulations"), the assets of the Company were e-auctioned on September 17, 2021, Accordingly, the Company has provided for diminution in the value of investment in Equity Shares and Compulsory Convertible Debentures, Rs. 7,40,00,000/- and Rs. 37,31,00,000/- respectively.



**(19) Contingent Liability:**

There is no contingent Liabilities as on the date of balance sheet.

- (20)** The Company has defaulted in repayment of Term loan from Yes Bank Ltd. (principal Rs.78,26,04,125.00 and interest amount including Penal interest Rs. 35,38,12,456.89 outstanding as on March 31, 2021)
- (21)** Balance disclosed under loans and advances are subject to reconciliation.
- (22)** The previous years' figures have been reworked, regrouped, rearranged, and reclassified wherever necessary.



For and on behalf of the Board

Handwritten signature in blue ink.

**Vijaykumar Himatlal Modi**  
(Director)  
DIN : 01224842

Handwritten signature in blue ink.

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

Place : Mumbai  
Date : 23<sup>rd</sup> November, 2021



Handwritten signature in blue ink.

# VALECHA INFRASTRUCTURE LIMITED

**Regd. Office :** Valecha Chambers, 4<sup>th</sup> Floor, Plot No.B-6,  
New Link Road, Andheri (West), Mumbai – 400 053.  
Tel. +91-22- 26733625-29, Fax: +91-22-26733945  
CIN – U55101MH1995PLC084399

Date:

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

Dear Sirs,

## **Re: Audit of Standalone Financial Statements of Valecha Infrastructure Limited as at and for the year ended March 31, 2021**

This representation letter is provided in connection with your audit of the financial statements of Valecha Infrastructure Limited for the year ended 31<sup>st</sup> March, 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Company as of 31<sup>st</sup> March 2021, the results of operations for the year then ended.

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

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

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

### **A. FINANCIAL STATEMENTS AND FINANCIAL RECORDS**

#### ***Management's Responsibilities***

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



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

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

2. The Company's Board of Directors have fulfilled their responsibility for the matters stated in Section 134(5) of the Act with respect to the preparation of these - financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company - financial statements in accordance with *Ind AS*, and are free of material misstatements, including omissions. We have prepared the - financial statements and the same have been approved by the Board of Directors.

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

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

## B. FRAUD

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

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

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

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





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

### C. COMPLIANCE WITH LAWS AND REGULATIONS

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

### D. INFORMATION PROVIDED AND COMPLETENESS OF INFORMATION AND TRANSACTIONS

We have provided you with:

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

### E. ACCOUNTING POLICIES

1. The accounting policies and practices which are material or critical in determining the results of operations for the year or financial position are disclosed in the financial statements. These accounting policies are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on accrual basis.



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

## F. INTERNAL FINANCIAL CONTROL STRUCTURE

1. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

2. As required under section 134(5) of the Act, we are responsible for establishing and maintaining adequate and effective internal financial controls and the preparation of the financial statements as set out in the terms of the Audit Engagement letter dated 6<sup>th</sup> November, 2020 and, in particular, the assertions to you on the internal financial controls.

3. Considering the nature of business of the company no sizable purchase of inventory or fixed assets are required. Hence financial control relating to abovementioned activities not applicable.

4. We have performed an evaluation and made an assessment of the adequacy and effectiveness of the company's internal financial controls for the year ended March 31, 2021. Those evaluations do not include the procedures performed by you during the audit of internal financial controls over financial reporting as part of the basis for our assessment of the effectiveness of internal financial controls.

5. There are no changes/deficiencies in the design or operation of internal controls over financial reporting identified as part of our assessment.

## G. REGISTERS, MINUTES AND CONTRACTS

1. The Minutes of the meetings of the Shareholders and Directors and the Registers required to be maintained under the Companies Act are complete and authentic.

2. We have made available to you all significant registers, contracts and agreements. Further we have made available to you all minutes of the meetings of shareholders, directors and committees of directors held through the April 1, 2020 to Mar 31, 2021 or summaries of actions of recent meetings for which minutes have not yet been prepared.

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

<b>Date</b>	<b>Type of Meeting</b>
05-05-2020	Board of Directors
09-07-2020	Board of Directors



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20-08-2020	Board of Directors
12-11-2020	Board of Directors
15-02-2021	Board of Directors
30-09-2020	Annual General Meeting

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

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

### H. OWNERSHIP AND PLEDGING OF ASSETS

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

### I. RELATED PARTY DISCLOSURES

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

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

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



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### J. FIXED ASSETS AND INTANGIBLES

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

There were no outstanding commitments for capital expenditure.

### K. INVENTORY

There was no inventory lying as on 31<sup>st</sup> March 2021 and accordingly, the provisions of Clauses-2 of Para 3 of CARO 2016 in this regard are not applicable to the company.

### L. TRADE RECEIVABLES, OTHER ASSETS AND LOANS AND ADVANCES

1. There is no provision required to be made for allowances, losses, returns, discounts, cost and expenses that may be incurred subsequent to the date of the Balance sheet in respect of services rendered prior to that date and for uncollectible/ irrecoverable accounts other than as provided in the financial statements.
2. The Company has not directly or indirectly, advanced any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested, as explained in section 185 of the Act, or given any guarantee or provided any security in connection with any loan taken by him or such other person. As such, provisions of Section 185 & 186 are not applicable to the Company.
3. There is no MAT Credit available in the books of accounts.

### M. SHARE CAPITAL

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

### N. BORROWINGS

1. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.
2. All the term loans are applied for the purpose for which those were obtained.



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3. All the borrowings (both secured and unsecured) have been duly approved by the management.
4. The Company has defaulted in repayment of loan from Yes Bank Ltd. (principal Rs. Rs.78,26,04,125 and interest Rs. 35,38,12,456.89 outstanding as on March 31, 2021), further the Company does not have any debentures issued/outstanding any time during the year.

### O. TRADE PAYABLES, STATUTORY AND OTHER LIABILITIES

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. The Company is generally been regular in depositing its undisputed statutory dues to appropriate authorities. There were no undisputed statutory dues outstanding as on 31st March, 2021 for more than six months from the date it became payable except Tax Deducted at Source (Income Tax) of Rs. 14,750/- is unpaid.
3. There are no amounts in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited with the appropriate authorities on account of any dispute.

### P. PROVISIONS, CONTINGENT LIABILITIES AND COMMITMENTS

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

### Q. STATEMENT OF PROFIT & LOSS

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



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### R. RISK AND UNCERTAINTIES

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

### S. INDEPENDENCE AND CONFLICTS OF INTEREST

Based on inquiries we have made of our officers, directors and substantial stakeholders, we confirm that there are not any business relationship between any such officer, director or substantial stakeholders

(or any entity for or of which such an officer or director acts in a similar capacity) and Rajratan Kothari Associates.

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

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

### T. GENERAL

1. The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
2. The Company is a holding company of couple of special purpose vehicle companies which have a single special purpose of development of Roads on BOT basis. Therefore, segment reporting is not applicable as per Ind AS 108.
3. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
4. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the company.
5. There are no pending legal cases against or by the Company, which will have material impact on the financial statements of the Company.
6. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.



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### U. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

### V. SUBSEQUENT EVENTS

1. No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the financial statements.
2. No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company.
3. Valecha LM Toll Private Limited (VLMTPL), a subsidiary of the Company has been admitted to National Company Law Tribunal (NCLT) on 29.03.2019 in view of the insolvency petition filed by Axis Bank Limited under section 7 of the Insolvency and Bankruptcy Code, 2016 and consequently Interim Resolution Professional ('IRP') was appointed by the NCLT who was subsequently confirmed and appointed as Resolution Professional by COC. The Company was referred to Hon'ble NCLT, Mumbai for order for liquidation and on 27th October, 2020, the NCLT passed liquidation order of the Company and liquidation process has commenced. Further, as per Regulation 32(a) to Regulation 32(d) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("Liquidation Regulations"), the assets of the Company were e-auctioned on September 17, 2021, Accordingly, the Company has provided for diminution in the value of investment in Equity Shares and Compulsory Convertible Debentures, Rs. 7,40,00,000/- and Rs. 37,31,00,000/- respectively.

### W. GOING CONCERN

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



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Pursuant to Order dated 21st June 2021 of Hon'ble High Court of Bombay in the matter of liquidation of Valecha Engineering Limited ("Parent Company") where Hon'ble High Court has asked the Parent Company to present a proper scheme of revival of the Company to pay all dues of all the creditors of

the Company. Pending final order of Hon'ble Bombay High Court in the matter of Holding company, parent company accounts have neither been prepared nor finalised nor audited for year ended 31st March 2021. Accordingly, financial statements of VIL has been prepared and no adjustments, if any, have been made.

Truly Yours,

For Valecha Infrastructure Limited

  
Anil Sakharam Korpe  
Director  
(DIN : 07543339)

  
Vijaykumar Himatlal Modi  
Director  
(DIN : 01224842)

