RAJRATAN M. KOTHARI

B.COM. F.C.A.

RAJRATAN KOTHARI ASSOCIATES
CHARTERED ACCOUNTANTS

2ND FLOOR, SAMADHAN, L.T.ROAD,
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INDEPENDENT AUDITORS' REPORT

To the Members of Valecha Kachchh Toll Roads Limited
Report on the Audit of the Financial Statements

1. Qualified Opinion

We have audited the accompanying financial statements of **Valecha Kachchh Toll Roads Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2021, and 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 31st 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 Financial Statements on going concern basis even though it has accumulated losses of Rs. (6,08,57,55,335/-) (Previous year: Rs (4,84,55,30,009/-)) and a Negative net worth of Rs. (5,40,07,55,335/-) (Previous year: Negative net worth of Rs. (4,16,05,30,009/-)).During the year ended March 31, 2021, the Company incurred a net loss of (Rs. 1,24,02,25,326/-) (Previous year: net loss of Rs 1,07,86,05,265/-). As stated in Note 35, 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 and the construction is going at very slow pace for balance, which has resulted into increase in cost of project mainly due to interest during construction period. However, as advised, the project had been halted due to non-availability of land and environment issues and on 13.05.2015 the Company has received PCOD (provisional commercial operation date) for section 1 for which revenue is being generated. PCOD for Section 2 is likely to be completed by March, 2022. The company has also put on total claim of Rs. 1373.70 on GSRDC till 31st March, 2020 and is hopeful for getting the same. We are unable to comment on the recoverability of the same including non -impairment of intangible asset and intangible assets under development.*

b. *We understand that the Lenders of the Company have appointed a forensic auditor to verify the matters with regard to the Company. However, it was explained that the scope of audit and report including draft report has not been shared with the Company and accordingly we are unable to comment on same including any adjustments arising out of the findings of the same.*

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

We draw attention to Note No. 37 of the standalone financial statement, as regards the management's evaluation of COVID-19 impact on the future performance of the company. Our opinion is not modified in respect of this matter.

Without qualifying our opinion, we draw attention to Note No.36 of financial statement regarding assessment of going concern of parent company i.e. Valecha Engineering Limited, where company has obtained unsecured loan of Rs. 58.45 crores and paid net advances of Rs. 40.30 crores towards EPC contract to its parent company resulting into net liability Rs. 18.16 crores.

Further we draw attention to Note No.25 of financial statement regarding non-reconciliation /non-confirmation of balances of certain creditors 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.

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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 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.

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- 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 35 and 36 of Financial Statement) and our report is not modified in respect of this matter. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

7. Report on Other Legal and Regulatory Requirements

a. 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.

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

i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

iii. The Balance Sheet, the Statement of Profit and Loss 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.

iv. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

RAJRATAN KOTHARI CHARTERED ACCOUNTANTS "Samadhan" L. T. Road, Mulund (East), Mumbai-400081

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v. On the basis of the written representations received from the directors as on 31st March, 20212 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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

a. The Company does not have any pending litigations which would impact its financial position.
b. The company did not have any long-term contracts including derivative 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: 113704 W

RAJRATAN KOTHARI ASSOCIATES "Samadhan" L. T. Road, Mulund (East), Mumbai-400081 CHARTERED ACCOUNTANTS

R.M.KOTHARI
Proprietor
Membership No. 032428
UDIN:21032428AAAAJH6893

Place: Mumbai
Date: 27-10-2021

RAJRATAN M. KOTHARI
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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 Kachchh Toll Raods Limited ("the Company") on the financial statement for the year ended 31st March 2021, we report that;

(i) Fixed Assets

a) The Company has maintained proper records showing full particulars including quantitative details and situtation of its fixed assets.

b) The Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the informations and explanations given to us, there is no Immovable Property in the books of accounts of the Company. Thus, the provision of clause 3(i)(c) of the Order is not applicable to the Company

(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 the information and explanations given to us, during the year, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, the advances given are during normal course of business. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the order is 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 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.

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(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.

(vii) Statutory Dues

a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, Income-tax, Goods and Service tax, Custom duty, Cess, etc. There are no undisputed dues payable, outstanding as on 31st March, 2021 for a period of more than six months from the date they became payable.

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
Canara Bank	188,12,69,359	264,32,69,939	Principal is payable since June 2016 and interest is payable since February 2016.
	14,97,25,000	20,72,51,366	
Total A	**203,09,94,359**	**285,05,21,305**	
Indian Overseas Bank	1,50,49,96,382	124,89,70,020	Principal is payable since June 2016 and interest is payable since February 2016.
	10,66,36,367	2,94,12,519	
Total B	**161,16,32,749**	**127,83,82,539**	
Total (A+B)	**364,26,27,108**	**412,89,03,844**	

(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.

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(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. *However, company has not complied with the provision of section 177 of Companies Act 2013.*

(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.

(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: 113704 W

RAJRATAN KOTHARI ASSOCIATES "Samadhan" L. T. Road, Mulund (East), Mumbai-400081 CHARTERED ACCOUNTANTS

R.M.KOTHARI
Proprietor
Membership No. 032428
UDIN: 21032428AAAAJB6893

Place: Mumbai
Date: 27-10-2021

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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 Kachchh Toll Raods Limited ("the Company") as of 31st 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 31st 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether 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: 113704 W

R.M.KOTHARI
Proprietor
Membership No. 032428
UDIN: 21032428AAAAJB6893

Place: Mumbai
Date: 27-10-2021

Valecha Kachchh Toll Roads Limited

Balance Sheet as on 31st March 2021

Particulars	Note No.	As on 31st March, 2021	As on 31st March, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	1,521,697	1,269,982
(b) Other Intangible assets	3	1,047,548,986	1,212,636,532
(c) Intangible assets under development	3A	2,332,337,245	2,160,751,676
(d) Other non-current assets	4	50,000	50,000
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	5	364,957	119,460
(ii) Bank balances other than (i) above	5	1,769,133	4,798,284
(iii) **Loans**	6	425,472,522	421,628,366
(b) Current Tax Assets (Net)	7	141,866	141,866
(c) Other Current Assets	8	36,528,336	10,255,907
Total Assets		3,845,734,742	3,811,652,092
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	9	685,000,000	685,000,000
(b) Other Equity	10	(6,085,755,335)	(4,845,530,009)
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(b) Provisions	11	267,483,838	249,419,472
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	4,739,530,503	4,686,370,529
(ii) Trade payables	13	39,036,842	42,608,521
(iii) Other Financial Liabilities	14	4,199,901,991	2,993,423,998
(b) Other Current Liabilities	15	536,903	359,582
Total Equity and Liabilities		3,845,734,742	3,811,652,092

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 : 27th October 2021

Vijay Kumar H Modi	Anil Sakharam Korpe	Santosh Kumar Patro
CFO & CS	(Director)	(Director)
	DIN : 07543339	DIN : 07571177

Valecha Kachchh Toll Roads Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2021

	Particulars	Note No	As at 31st March, 2021	As at 31st March, 2020
I.	**Revenue from Operations**		94,950,245	91,341,605
II.	**Other Income**		10,957	37,203
III.	**Total Revenue (I + II)**		94,961,202	91,378,808
IV.	**Expenses:**			
	Employee benefits expense	16	2,217,972	2,077,458
	Finance Costs	17	1,110,585,659	951,641,965
	Depreciation and Amortization Expenses		165,129,353	165,244,714
	Impairment of Assets			
	Other Expenses	18	57,253,544	51,019,936
	Total Expenses		1,335,186,528	1,169,984,073
IX.	**Loss before tax (VII- VIII)**		(1,240,225,326)	(1,078,605,265)
X	**Tax Expense:**			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI	**Loss for the Period**		(1,240,225,326)	(1,078,605,265)
XII	**Other Comprehensive Income**			
	A Items that will not be reclassified to Profit & Loss (net of tax)			
	B Items that will be reclassified to Profit & Loss (net of tax)			
	C Transaction with owners in their capacity as owners		-	-
	Total Comprehensive Income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)		(1,240,225,326)	(1,078,605,265)
XIII	**Earnings per equity share:**			
	(1) Basic		(18.11)	(15.75)
	(2) Diluted		(18.11)	(15.75)

As per our report of even date
For Rajratan Kothari Associates
Chartered Accountants
Firm Registration No.:112704W

Rajratan M Kothari
Membership No.: 032428
Proprietor
Place : Mumbai
Date : 27th October 2021

For and on behalf of the Board

Vijay Kumar H Modi	Anil Sakharam Korpe	Santosh Kumar Patro
(CFO & CS)	(Director)	(Director)
	DIN : 07543339	DIN : 07571177

Valecha Kachchh Toll Roads Limited

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

		As at 31st March, 2021	As at 31st March, 2020
A.	**Cash flow from Operating Activity**		
	Loss Before Tax and Extraordinary Item	(1,240,225,326)	(1,078,605,265)
	Add / (Deduct) Adjustment for :		
	Depreciation	165,129,353	165,244,714
	Impairment of Assets	-	-
	Interest Paid	1,110,585,659	951,641,965
	Interest Received	(10,957)	(37,203)
	Operating Profit before working capital changes	**35,478,729**	**38,244,211**
	Trade and other Receivable	(30,116,586)	(55,068,910)
	Trade and other Payables	1,221,148,002	908,819,618
	Net Cash Flow from Operating Activity	**1,226,510,145**	**891,994,919**
B.	**Cash Flow from Investing Activity**		
	Interest Received	10,957	37,203
	Purchase Of Fixed Assets	(293,521)	-
	Intangible Assets under Development	(171,585,568)	(91,075,298)
	Net Cash flow From Investing Activity	**(171,868,132)**	**(91,038,095)**
C.	**Cash Flow from Financing Activities**		
	Increase in Other Equity	-	-
	Promoters Contribution	-	-
	Interest Paid	(1,110,585,659)	(951,641,965)
	Proceeds from short term borrowing	53,159,974	87,121,574
	Repayment Of Loan	-	-
	Net Cash From Financing Acitivities	**(1,057,425,685)**	**(864,520,391)**
	Net Increase / (Decrease) in Cash and Cash Equivalents	(2,783,673)	(63,563,567)
	Opening Balance of Cash and Cash Equivalents	**4,917,763**	**68,481,330**
	Closing Balance of Cash and Cash Equivalents	**2,134,091**	**4,917,763**

As per our report of even date

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

Rajratan M Kothari
Membership No.: 032428
Proprietor
Place : Mumbai.
Date : 27th October 2021

For and on behalf of the Board

Vijay Kumar H Modi
CFO & CS

Anil Sakharam Korpe
(Director)
DIN : 07543339

Santosh Kumar Patro
(Director)
DIN : 07571177

Valecha Kachchh Toll Roads Limited

Statement of changes in equity

A. Equity Share Capital

Particulars	Amount
Balance as on March 31, 2020	685,000,000
Changes in equity share capital during the year	-
Balance as on March 31, 2021	685,000,000

B. Other Equity

Particulars	Reserves and Surplus		
	Other Comprehensive Income	Retained Earnings	Total
Balance as at March 31, 2019	150,128,000	(3,917,052,745)	(3,766,924,745)
Profit for the period upto March 31,2020		(1,078,605,265)	(1,078,605,265)
Corporate Guarantee Fees			-
Balance as at March 31, 2020	150,128,000	(4,995,658,009)	(4,845,530,009)
Profit for the period upto March 31,2021		(1,240,225,326)	(1,240,225,326)
Corporate Guarantee Fees			-
Balance as at March 31, 2021	150,128,000	(6,235,883,335)	(6,085,755,335)

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

Firm Registration No: 113704W

Rajratan M Kothari

Membership No.: 032428

Proprietor

Place : Mumbai.

Date : 27th October 2021

RAJRATAN KOTHARI ASSOCIATES CHARTERED ACCOUNTANTS "Samadhan" L. T. Road, Mulund (East), Mumbai-400081

VALECHA KACHCHH TOLL ROADS LIMITED

For and on behalf of the Board

Vijay Kumar H Modi
CFO & CS

Anil Sakharam Korpe
(Director)
DIN : 07543339

Santosh Kumar Patro
(Director)
DIN : 07571177

Valecha Kachchh Toll Roads Limited
Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2021

1. **BACKGROUND:**

1.1 Corporate Information:

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

VKTRL has been set up to Design, Engineering, Construction, Development, Finance, Operation and maintenance, construction of four/ two Laning Road of Bhuj - Bhachau Road Section, in the state of Gujarat on BOT basis and it operates under a single business and geographical segment. Further, the company has received provisional certificate from Independent Engineer appointed by GSRDC to operate up to 53.659 KM out of total 77.68 KM (i.e. 69% of total KM) on 13.05.2015. Accordingly, intangible assets under development has been capitalised in the year 2015 and intangible assets has been created. The amortisation of intangible assets carried out as per **SLM method** according to holding company policy. The Company has started Toll Collection i.e. 16.05.2015. However, from the year 2016-17 no work has been carried out, hence balance amount of intangible assets under development is not capitalised. Balance work now started in month of January 2018 and GSRDC has agreed to infused Rs. 74 Crores to complete the same.

The financial statements were authorized for issue by the Company's Board of Directors on 27th October 2021 Pursuant to the provisions of section 130 of the Act.

2. **SIGNIFICANT ACCOUNTING POLICIES:**

2.1 Basis of preparation

These Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulations.
These Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.
These Financial Statements are presented in absolute Indian Rupee, except where otherwise indicated.

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

2.2 Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a

VALECHA KACHCHH TOLL ROADS LIMITED

RAJRATAN KOTHARI ASSOCIATES CHARTERED ACCOUNTANTS "Samadhan" L. T. Road, Mulund (East), Mumbai-400081 liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

2.3 Functional and presentation currency

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

2.4 Fair value measurement

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

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

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

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

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

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

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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

2.5 Financial instruments

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

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.

VALECHA KACHCHH TOLL ROADS LIMITED

RAJENDRA KOTHARI & ASSOCIATES "Samadhan" L. T. Road, Mulund (East), Mumbai-400081 CHARTERED ACCOUNTANTS

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.

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KOTHARI & ASSOCIATES "Samadhan" L. T. Road, Mulund (East), Mumbai-400081 CHARTERED ACCOUNTANTS

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.

2.6 Revenue Recognition:

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

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

2.7 Property, plant and equipment

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

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.

VALECHA KACHCHH TOLL ROADS LIMITED

RAJENDRA KOTHARI ASSOCIATES CHARTERED ACCOUNTANTS "Samadhan" L. T. Road, Mulund (East), Mumbai-400081

2.8 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 assets recognized are amortized 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.

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.

KACHCHH TOLL ROADS LIMITED
KOTHARI ASSOCIATES
"Samadhan"
L. T. Road,
Mulund (East),
Mumbai-400081
CHARTERED ACCOUNTANTS

2.9 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.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in

VALECHA KACHCHH TOLL ROADS LIMITED

KOTHARI ASSOCIATES "Samadhan" L. T. Road, Mulund (East), Mumbai-400081 CHARTERED ACCOUNTANTS which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Contingent liabilities and contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in the books of accounts but its existence is disclosed in the Financial Statements. A Contingent asset is not recognized in financial statements, however, the same are disclosed where an inflow of economic benefit is probable.

2.12 Provisions

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

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

2.13 Employees' Benefits:

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.

2.14 Segment Reporting:

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

VALECHA KACHCHH TOLL ROADS LIMITED

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

2.15 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.

Applicability of service concession arrangement accounting to toll roads concessionaire arrangements

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

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.

2.16 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies(Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign curre[ncy]

VALECHA KACHCHH TOLL ROADS LIMITED

RAJNATAN KOTHARI ASSOCIATES "Samadhan" L.T. Road, Mulund (East), Mumbai-400081 CHARTERED ACCOUNTANTS 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.

RAJRATAN KOTHARI ASSOCIATES
"Samadhan" L. T. Road, Mulund (East), Mumbai-400081
CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Valecha Kachchh Toll Roads Limited
Notes to Accounts for the year ended 31st March 2021
Note 3: Property,Plant & Equipment

	Details	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2020	Addition during the year	Deduction during the year	Balance as at 31 March, 2021	Balance as at 1 April 2020	Depreciation charge for the Period	Deduction/ impairment during the year	Balance as at 31 March, 2021	Balance as at 31 March, 2021	Balance as at 31 March 2020
(i)	**Tangible Assets**										
	Furniture and Fixtures	31,500	-	-	31,500	14,619	2,994	-	17,612	13,888	16,881
	Computer	23,992,449	293,521	-	24,285,970	22,772,644	28,683	-	22,801,327	1,484,643	1,219,805
	Office equipment	463,345	-	-	463,345	430,049	10,130	-	440,179	23,166	33,296
	Total - A	**24,487,294**	**293,521**	-	**24,780,815**	**23,217,312**	**41,807**	-	**23,259,118**	**1,521,697**	**1,269,982**
(ii)	Intangible Assets										
	Concessionaire Right	2,002,454,530	-	-	2,002,454,530	789,817,999	165,087,546	-	954,905,545	1,047,548,986	1,212,636,532
	Total - B	**2,002,454,530**	-		**2,002,454,530**	**789,817,999**	**165,087,546**		**954,905,545**	**1,047,548,986**	**1,212,636,532**
	Gross Total (A+B)	**2,026,941,824**	**293,521**		**2,027,235,345**	**813,035,310**	**165,129,353**		**978,164,663**	**1,049,070,682**	**1,213,906,514**

RAJRATAN KOTHARI ASSOCIATES * CHARTERED ACCOUNTANTS * "Samadhan" L. T. Road, Mulund (East), Mumbai-400081

VALECHA KACHCHH TOLL ROADS LIMITED

Valecha Kachchh Toll Roads Limited

Notes to Accounts for the year ended 31st March 2021

Note 3A: Intangible Assets under Development

	Opening Bal 01-Apr-20	Addition During The Year	Capitalisation Intangible Assets (A) & (B)	Capitalisation Tangible Assets	Rs. Closing Bal 31-Mar-21
	(A)	(B)	('C)	(D)	Total of (A to D)
EPC Cost	1,646,468,881	138,833,247	-	-	1,785,302,128
Interest During Construction	401,945,788	-	-	-	401,945,788
Interest on Unsecured loan (GSRDC)	38,245,826	32,752,321	-	-	70,998,147
Other Preliminary Expenses	50,322	-	-	-	50,322
Prebid Expenses	304,666	-	-	-	304,666
Appraisal Fee - Canara Bank	683,860	-	-	-	683,860
Audit Fee	168,288	-	-	-	168,288
Air Conditioner	-	-	-	-	-
Bank Charges	132,528	-	-	-	132,528
B G Commission	329,313	-	-	-	329,313
Conveyance Charges	8,037	-	-	-	8,037
Development Fees	15,926,560	-	-	-	15,926,560
General Expenses	76,465	-	-	-	76,465
Generator Set	-	-	-	-	-
IEC Code Exp.	1,550	-	-	-	1,550
I.E. Reimbursement of Payment	10,477,399	-	-	-	10,477,399
Insurance Charges	55,623	-	-	-	55,623
IE Escalation Work	488,027	-	-	-	488,027
Interest on IE Fees	323,013	-	-	-	323,013
Interest Paid on Statutory Liability	100,679	-	-	-	100,679
ISIN Activation Exp.	10,449	-	-	-	10,449
Postage & Courier A/c	4,340	-	-	-	4,340
Printing & Stationery	18,772	-	-	-	18,772
Professional Fees	18,812,579	-	-	-	18,812,579
Professional Fees - Traffic Study	111,801	-	-	-	111,801
ROC Charges	1,531,158	-	-	-	1,531,158
Salary Paid	-	-	-	-	-
Staff Welfare Expenses	-	-	-	-	-
Stamp Duty	442,939	-	-	-	442,939
Supervision Charges for ROB	15,782,071	-	-	-	15,782,071
Tax Expense	139,427	-	-	-	139,427
Toll Expenses	805,411	-	-	-	805,411
Toll Systems	-	-	-	-	-
Travelling Expenses	504,611	-	-	-	504,611
Upfront Fee - Canara Bank	1,709,650	-	-	-	1,709,650
Upfront Fee - IOB	1,700,077	-	-	-	1,700,077
Up Front Fees Additional Debt- Canara Bank	545,115	-	-	-	545,115
Interest on Development Fees	3,286,435	-	-	-	3,286,435
(Sub Total a)	2,161,191,461	171,585,568	-	-	2,332,777,029
Less : Indirect Income	439,784	-	-	-	439,784
(Sub Total b)	439,784	-	-	-	439,784
Grand Total (a-b)	2,160,751,676	171,585,568	-	-	2,332,337,245

1. The company is concessionaire for the project of development of Bhuj Bhachau Road Section in the state of Gujarat and is authorised for the right from project authority to collect the toll fee from the users of said road section during operation period after COD.

2. Further, the company has received provisional certificate from Independent Engineer appointed by GSRDC to operate up to 53.859 KM out of total 77.68 KM (i.e. 69% of total KM) on 13.05.2015. Accordingly, intangible assets under development has been capitalised in the year 2015 to that extent and intangible assets has been created. Balance project is sill under development.

Rajratan Kothari & Associates "Samadhan" L. T. Road, Mulund (East), Mumbai-400081 Chartered Accountants

Valecha Kachchh Toll Roads Limited

Note 4:	Other Non Current Assets	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	Deposits		
	Sales Tax Deposit	50,000	50,000
	Total	**50,000**	**50,000**

Note 5:	Cash and cash equivalents		31st March 2021	31st March 2020
			(Amount in INR)	(Amount in INR)
	(i) Cash on Hand		364,957	115,480
		(Sub Total I)	364,957	115,480
	(ii) Balances with Banks			
	In Current Accounts			
	Canara Bank A/c 2677201080910		15,964	17,890
	Canara Bank Escrow A/c 3630201000467		69,470	2,552,802
	Canara Bank Toll Collection A/c -3309201000052		237,869	2,056,212
	Corporation Bank A/c 510101006285502		1,446,230	171,780
		(Sub Total II)	1,769,133	4,798,284
	Total		2,134,091	4,917,763

Note 6:	Loans - Current	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	Advances to related parties:		
	Unsecured:		
	Machinery Advance to Valecha Engineering Limited	53,834,002	53,834,002
	Material Advance to Valecha Engineering Limited	245,399,851	241,235,419
	Mobilisation Advance to Valecha Engineering Limited	123,884,659	123,884,659
	Valecha Infrastructures Ltd Assets	2,174,970	2,174,970
	Valecha Badwani Sendhwa Toll Ways Ltd	-	320,078
	Valecha LM Toll Private Limited	179,240	179,240
	Total	**425,472,522**	**421,628,368**

Note 7:	Other Current Assets	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	TDS Receivable	141,866	141,866
	Total	**141,866**	**141,866**

Note 8:	Other Current Assets	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	Imprest	445,263	122,032
	Amount Withheld by GSRDC	25,571,428	1,268,901
	Advances to Staff	-	2,080
	Prepaid upfront fees	5,476,553	5,476,553
	Prepaid Insurance Expenses	5,035,090	3,286,371
	Total	**36,528,336**	**10,255,987**

Note 9:	Share Capital	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
(i) Authorised Share Capital 6,85,00,000 (Prev. Year 6,85,00,000) Equity Shares of Rs 10 each		685,000,000	685,000,000
(ii) Equity Shares - Issued, Subscribed and Paid up 6,85,00,000 (Prev. Year 6,85,00,000) Equity Shares of Rs 10 each		685,000,000	685,000,000
	Total	685,000,000.00	685,000,000.00
(iii) Reconciliation of the shares outstanding at the beginning and the at the end of the reporting period		2020-21 No. of shares	2019-20 No. of shares
	At the beginning of the year	68,500,000	68,500,000
	Add : Issued during the year	-	-
	Outstanding at the end of the year	68,500,000	68,500,000

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

Shares held by	No.of Shares	% of Shares	No.of Shares	% of Shares
- Its Holding Company (M/s Valecha Engineering Limited)	39,835,000	58%	39,835,000	58%

Details of Shareholders holding more than 5% shares	2020-21		2019-20	
	No. of shares	% holding	No. of shares	% holding
Name of Shareholders				
Valecha Engineering Limited	39,835,000	58%	39,835,000	58%
PSA Infrastructure Limited	28,665,000	42%	28,665,000	42%

RAJRATAN KOTHARI ASSOCIATES
"Samadhan" L. T. Road, Mulund (East), Mumbai-400081
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VALECHA KACHCHH TOLL ROADS LIMITED

Note 10:	Other Equity	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	Surplus/(Deficit) in statement of Profit & Loss		
	Balance Brought Forward	(4,995,658,009)	(3,917,052,745)
	Surplus/(Deficit) in statement of Profit & Loss during the year	(1,240,225,326)	(1,078,605,265)
	Provision for resurfacing expenses	-	-
	IndAS impact for Service concession agreement	-	-
		(6,235,883,335)	(4,995,658,009)
	Other Comprehensive Income (Guarantee Fees)	150,128,000	150,128,000
	Total	(6,085,755,335)	(4,845,530,009)

Note 11:	Provisions - Non Current	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	Provision for MMR	267,483,838	249,419,472
	Total	**267,483,838**	**249,419,472**

Note 12:	Borrowings - Current	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)

Secured Loans

	31st March 2021	31st March 2020
Term Loans		
Canara Bank	2,030,994,359	2,133,300,000
Indian Overseas Bank	1,611,632,749	1,619,500,000

The term loan is secured by :

i.)First mortgage and charge of all companies, immovable properties if any, both present and future save and except project assets.

ii.)First paripassu charge by way of hypothecation of all the company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets of the project, save and except project assets, present and future.

iii.) First charge on company's cash flows and receivables including revenues of whatever nature, present or future wherever arising.

Principal, Interest & Interest Rate :

Particular	Principal Outstanding Rs. (A)	Principal Default Rs.	Interest Outstanding Rs. (B)	Total Amount in Rs. (A+B)	Rate Interest	Period of Default
Canara Bank	1,881,269,359	1,881,269,359	2,643,269,939	4,524,539,298	Base Rate+6.45%	Principal is payable since June 2016 and interest is payable since February 2016.
	149,725,000	149,725,000	207,251,366	356,976,366		
Total A	**2,030,994,359**	**2,030,994,359**	**2,850,521,305**	**4,881,515,664**		
Indian Overseas Bank	1,504,996,382	1,504,996,382	1,248,970,020	2,753,966,402	Base Rate+1.75%	Principal is payable since June 2016 and interest is payable since February 2016.
	106,636,367	106,636,367	29,412,519	136,048,886		
Total B	**1,611,632,749**	**1,611,632,749**	**1,278,382,539**	**2,890,015,288**		
Total (A+B)	3,642,627,108	3,642,627,108	4,128,903,844	7,771,530,952		

Company has not paid any principal amount during the current year. Further, Bank has not communicated revised repayment schedule. Hence, we consider, same repayment schedule for current year.

Unsecured

Loans and advances from related parties

	31st March 2021	31st March 2020
Part of the **Promoters Contribution** in Project from **Valecha Engineering Limited, Holding Company**, infused as per the Rupee Loan Agreement entered with project lenders. Repayable after the payment of secured loans, at face value on the basis of availability of cash flow and carries 0% interest.	584,511,542	584,511,542
Valecha Badwani Sendhwa Toll ways Ltd	61,520	-
Loan from GSRDC GSRDC has provided loan against claims of the Company at 8.25% PA annually & will be repaid once construction is complete and settlement of claim is made.	512,330,333	348,858,987
Total	4,739,530,503	4,686,270,529

Note 13:	Trade payables	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	Payable to EPC Contractor Holding Company	20,188,279	19,727,179
	Sundry Creditors Others	18,847,564	22,881,342
	Total	39,035,842	42,608,521

Note 14:	Other Financial Liabilities - Current	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	Interest accrued and due on borrowings		
	Interest payable to GSRDC	70,998,147	38,245,826
	Interest payable to Bank	4,128,903,844	2,955,178,173
	Total	4,199,901,991	2,993,423,999

Note 15:	Other Current Liabilities	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	Statutory Dues	536,903	359,582
	Total	536,903	359,582

Note 16:	Employee Benefits Expenses	31st March 2021	31st March 2020
		(Amount in INR)	(Amount in INR)
	[illegible] Wages	2,166,772	1,992,775
	Oth[illegible]	51,200	84,683
	Total	2,217,972	2,077,458

RAJARATAN KOTHARI ASSOCIATES "Ramesh..." L. B. Road, Mulund (East), Mumbai-400081 CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Note 17:	Finance Costs	31st March 2021 (Amount in INR)	31st March 2020 (Amount in INR)
	Interest Cost	1,110,352,780	951,326,684
	Other finance cost	232,879	315,281
	Total	**1,110,585,659**	**951,641,964.88**

Note 18:	Other Expenses	31st March 2021 (Amount in INR)	31st March 2020 (Amount in INR)
	Legal & Professional Fees	168,880	264,804
	Postage & Telegram	-	3,270
	Power & Fuel	211,479	97,060
	Rent & Hire Charges	894,706	909,315
	Rent, Rates & Taxes	12,250	10,300
	Repair & Maintenance	16,008,024	12,265,849
	Sundry Operational Expenses	139,952	153,419
	Toll Operation & maintenance Expenses	16,930,681	15,835,353
	Travelling & Conveyance Expenses	(77,824)	88,387
	Payment to Auditors	238,950	236,000
	Provision for Resurfing Expenses	22,882,500	21,214,080
	Toll Refreshment Expenses	47,734	61,402
	Total	**57,253,544**	**51,059,536**

Note 19:	Commitments	31st March 2021	31st March 2020
	Estimated amount of contracts remaining to be executed on capital account (Net of Capital Advances)	270,712,877	409,546,124

Note 20:	Auditors Remuneration (including taxes)	31st March 2021 (Amount in INR)	31st March 2020 (Amount in INR)
	Statutory Audit Fee	160,000	160,000
	Quarterly Limited Review Audit Fee	37,500	-
	Tax Audit	40,000	40,000
	GST	42,750	36,000
	Total	**280,250**	**236,000**

Note 21:	Earning Per Share	31st March 2021 (Amount in INR)	31st March 2020 (Amount in INR)
	Net Profit attributable to equity shareholders	(1,240,228,326)	(1,079,608,265)
	Weighted average number of shares for Basic and Diluted EPS (Numbers)	68,500,000	68,500,000
	Basic & Diluted Earnings Per share (Equity share of Rs. 10/- each)	(18.11)	(15.76)

Note 22: Segment Reporting

The Company is a special purpose vehicle which has a single special purpose of development of Bhuj Bhachau Road Section in the state of Gujrat on BOT basis, therefore the only segment of company as per Ind AS 108.

Note 23: Construction Work in Progress

The Project Milestone(s) / Schedule Construction Completion Date as per Clause 10.3.5 of the Concession Agreement with GSRDC could not be achieved for reasons attributable to GSRDC. Accordingly the company had made representation to GSRDC for extension of time and the GSRDC had allowed the interim extension of time in Schedule Construction Completion Date upto 31/12/2014. However, since the construction work could not be completed before the extended date, the company has made represention to GSRDC for extension of time upto 31/12/2015 and the company is hopeful of getting the extension of time. In view of the same, the company does not anticipate any demand from GSRDC for non - achievement of Milestone(s) / Construction Completion Date. Since the project delay caused delay in COD / toll recovery the bankers have re-scheduled the repayment obligation and sanctioned additional loan of Rs.25.79 crores towards interest during construction period. As such there is no cost overrun and escalation on the EPC cost. Further, the company has received provisional certificate from Independent Engineer appointed by GSRDCL to operate up to 53.659 KM from 13.05.2015. The Company has started Toll Collection w.e.f 16.05.2015.

GSRDC has conveyed that the Extension of Time sought by is under consideration. In the mean time the project has got delayed beyond 31/12/2015. In which the company has to sought extension of time suitably as per letter dated 29.12.2015. In view of the same the GSRDC has to modify the Milestone / completion of work accordingly and to arrive a realistic project completion date.

Further, the company has received provisional certificate from Independent Engineer appointed by GSRDC to operate up to 53.659 KM from 13.05.2015. Accordingly, the Company has started to collect Toll Collection w.e.f 16.05.2015. However, during the year 2016-17 no work has been carried out, hence balance amount of intangible assets under development is not capitalised.

Balance work now started in month of January'18 and GSRDC has sanctioned Rs. 74 Crores to complete the same and infused Rs. 61.63 Crores as on 31-03-2021

Note 24: In the opinion of the management, the Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realised / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

Note 25: Balance disclosed under advances and creditors are subject to reconciliation.

Note 26: Micro and small Micro and small enterprises as defined under MSMED Act, 2006

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 March 31, 2021. 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.

Note 27: Contingent Liabilities

As Concession Agreement Article: 14.4.1: Damage liability may arise due to non-completion of Punch list with 90 days from dated of provisional certificate issued. (Provisional Certificate Dated: 13.05.2015). Lower of 0.1% of the Performance Security and 0.2% of the costs of completing such items as estimated by the Independent Engineer on per day basis, amounting to Rs. 300,45,600 (PY : 300,45,600). GSRDC has conveyed that the Extension of Time sought by is under consideration. In the mean time the project has got delayed beyond 31/12/2015. In which the company has to sought extension of time suitably as per letter dated 25.12.2015. In view of the same the GSRDC has to modify the Milestone / completion of work accordingly and to arrive a realistic project completion date.

RAJRATAN KOTHARI & ASSOCIATES
"Samadhan" L. T. Road, Mulund (East), Mumbai-400081
CHARTERED ACCOUNTANTS

VALLECHA KACHCHH TOLL ROADS LIMITED

Note 28: **Related party Disclosure**

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

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

The name of related parties with the nature of relationship

NATURE OF TRANSACTIONS:		Holding Company		Enterprise having significant influence		Enterprise over which holding company having significant influence	
		April 2020 to March 2021	April 2019 to Mar 2020	April 2020 to Mar 2021	April 2019 to Mar 2020	April 2020 to Mar 2021	April 2019 to Mar 2020
TRANSACTION DURING THE YEAR							
Expenses debited into Intangible Assets Under Development							
EPC Cost		138,833,247	65,045,911				
Advance given							-
Advance received back							-
Share Application Money Recd			-				
Promoters Contribution Recd.			-				
Short Term Borrowing							
Shares Allotted					-		
OUTSTANDING AT THE YEAR END							
LIABILITIES							
Sub-ordinate debt		584,511,542	584,511,542				
Payable to EPC Contractor Holding Company		20,189,279	19,727,179				
Short Term Borrowing						81,520	-
ASSETS							
Mobilization Advance		53,834,002	53,834,002				
Material Advance		245,399,651	241,235,419				
Machinery Advance		123,884,659	123,884,659				
Other Advance		-	-			2,354,210	2,674,286

RAJRATAN KOTHARI ASSOCIATES
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Note 29 Fair value Measurement

Financial Instruments by category

Particulars	31-03-2021 FVPL	31-03-2021 FVOCI	31-03-2021 Amortised Cost	31-03-2020 FVPL	31-03-2020 FVOCI	31-03-2020 Amortised Cost
Financial Assets						
Cash and Bank Balance	-	-	2,134,091	-	-	4,917,763
Loans	-	-	425,472,522	-	-	421,628,366
Total financial assets	-	-	**427,606,613**	-	-	**426,546,129**
Financial liabilities						
Borrowing			4,739,530,503			4,686,370,529
Trade payables	-	-	39,036,842	-	-	42,608,521
Other financial liabilities	-	-	4,199,901,991	-	-	2,993,423,998
Total financial liabilities	-	-	**8,978,469,337**	-	-	**7,722,403,048**

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

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

Note 30 Capital management

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

Note 31 Financial risk management

The company activities exposes it to market risk, liquidity risk and credit risk.

This note explains the sources 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
Market risk - interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing

Market risk — interest rate risk

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

Sensitivity

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

Impact on profit/loss after tax	As at 31st March, 2021	As at 31st March, 2020
Interest rates (increase) by 1	(47,395,305)	(46,863,705)
Interest rates decrease by 1	47,395,305	46,863,705

Note 32 Financial risk management

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

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and March 31, 2020

Particulars	Carrying amount	Less than 12 months	More than 12 months
As at March 31, 2021			
Liabilities			
Borrowing	4,739,530,503	4,739,530,503	-
Trade payables	39,036,842	22,732,393	10,284,450
Other financials liabilities	4,199,901,991	4,199,901,991	-
Assets			-
Cash and Bank Balance	2,134,091	2,134,091	-
Loans	425,472,522	3,844,156	421,628,366
As at March 31, 2020			
Liabilities			
Borrowing	4,686,370,529	4,686,370,529	-
Trade payables	42,608,521	26,324,071	16,284,450
Other financials liabilities	2,993,423,998	52,725,752	2,940,698,247
Assets			
Cash and Bank Balance	4,917,763	4,917,763	-
Loans	421,628,366	421,628,366	-

RAJRATAN KOTHARI ASSOCIATES "Samadhan" L. T. Road, Mulund (East), Mumbai-400081 CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Note 33: Deferred Tax Assets:
The Company on the basis of prudence has preferred not to recognize the deferred tax assets.

Note 34: 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.

Note 35: 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 since GSRDC has given approval to start balance work in month of January'18 and has infused Rs. 74 Crores to complete the same. Further management is in the process of negotiating on bank term loans, 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.

Note 36: Note on Going Concern of Parent Company:
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 VKTRL has been prepared and no adjustments, if any, have been made.

Note 37: In view of the lockdown across the country due to the COVID-19 pandemic, vehicles movement and toll collection operations of the Company at its locations were suspended temporarily during March & April-2020, in compliance with the directives/orders issued by the relevant authorities. The financial statement for year ended March 31, 2021 were impacted by disruptions owing to COVID-19 and are therefore not comparable with those of previous year. The Company has made an assessment of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables and other current / non-current assets as of 31 March, 2021 and on the basis of evaluation, has concluded that no material adjustments are required in the financial results. The Company is taking all the necessary steps and precautionary measures to ensure smooth functioning of its operations and to ensure the safety and well-being of all its employees. Given the criticalities associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

Note 38: Previous Year Comparatives:
The previous year figures have been regrouped, rearranged, and reclassified wherever necessary.

As per our report of even date

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

Rajratan M Kothari
Membership No.: 082428
Proprietor
Place : Mumbai.
Date : 27th October 2021

For and on behalf of the Board

Vijay Kumar H Modi
(CFO & CS)

Anil Sakharam Kerpe
(Director)
DIN : 07544339

Santosh Kumar Patra
(Director)
DIN : 07573177

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Date: 27-10-2021

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 2021

In connection with your audit of the financial statements of Valecha Kachchh Toll Roads Limited for the year ended March 31, 2021, 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 for construction, operation and maintenance of the Project Highway Built, Operate and Transfer (BOT) basis under the Concession Agreement dated 12th July 2011 from The Gujarat State Road Development Corporation Limited (GSRDC). The Concession Agreement is for a period of 20 years from appointed date. The company has awarded the contract for the aforesaid work to Valecha Engineering Limited for Rs. 400 Crore at arm's length price. The Project Milestone(s) / COD as per the Concession Agreement with GSRDC could not be achieved for reasons attributable to GSRDC. Accordingly the company has made representation to IE / GSRDC for extension of time. The GSRDC had vide their letter dated 22.04.2014 has extended the Schedule Construction Completion Date up to 30.06.2014 and further up to 31/12/2014. However, since the construction work could not be completed before the extended date,

GSRDC has conveyed that the Extension of Time sought by is under consideration. In the meantime the project has got delayed beyond 31/12/2015. In which the company has to sought extension of time suitably as per letter dated 25.12.2015. In view of the same the GSRDC has to modify the Milestone / completion of work accordingly and to arrive a realistic project completion date.

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Presently Company has applied for extension of time upto 31st March 2022 vide VKTRL letter No.VKTRL-GSRDC/2021/Site/66 dtd. 09-07-2021

Further, the company has received provisional certificate from Independent Engineer appointed by GSRDC to operate up to 53.659 KM from 13.05.2015. Accordingly, the Company has started to collect Toll Collection w.e.f 16.05.2015. On 13.05.2015 the Company has received PCOD for Section 1 for which revenue is being generated. PCOD for Section 2 is likely to be completed before March, 2022.

The project was stalled during 2016-17, but the construction has been started from January'18 onward to complete the balance work and GSRDC has sanctioned Rs. 74 Crores for the same as per sanction letter dated 24th Oct 2017, out of which a sum of INR 51.23 crores has been received and spent on road construction.

Further, estimated project costs of Rs. 400 crores has been increased to Rs. 469 crores as on 31st March 2021. Besides, due to the prolongation of Bhuj Bhachau road project, the Company has approached Hon'ble secretary, Road and Building department, Government of Gujarat and to the Managing Director, Gujarat State Road Development Corporation Ltd, Gujarat and put up a revised claim of Rs.1373.70 Crores till 31/03/2020 vide letter dated 17/06/2020 for delay/no work/idling charges/mobilization/interest on GSRDC and company is hopeful of getting the claim. This claim will be enforced once COD 2 is complete.

Further, the company is currently only in initial phase of operation after achieving of Partial COD from the client, where revenue is less due to partial tolling only at Toll Plaza Lakhond. Upon completion of full COD and both plazas being operational, the company believes that there will be an improvement in tolling revenues.

Given all the above circumstances, the management believes that the above circumstances are only temporary in nature and going forward the project will achieve its targeted project estimates and accordingly no impairment has been considered for the intangible assets being Toll Road Project.

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). 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 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.

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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 31st March 2021. 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 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.

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.

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7. *Subordinate Debt*

The company has availed a subordinate debt aggregating to Rs. 58.45 crores as on 31st March 2021, 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 intangible asset of Rs.233.23 crores is under development as on March 31, 2021.

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.

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:

(a) Parties where control exists:
  (i) Holding (a) M/s Valecha Engineering Limited

(b) Enterprises having significant influence: M/s PBA Infrastructure Limited
(c) Enterprise over which holding company has significant influence:
  M/s Valecha Badwani Sendhwa Toll Ways Limited
  M/s Valecha Infrastructures Limited
  M/s Valecha LM Toll Pvt. Ltd.

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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, 2021, the Company had no commitments, other than those reflected in financial statements.

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.

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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 derivates.

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.

22. Subsequent events

Subsequent to March 31, 2021, 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.

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 Valecha Kachchh Toll Roads Limited has been prepared and no adjustments, if any, have been made.

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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 31.03.2021 was Rs. 21.34 lakhs. All the bank accounts have been reconciled at the year end and entries are properly recorded. All the cheques deposited in the banks and outstanding as on March 31, 2021 were duly cleared subsequently.

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 2020-21, the company has not accepted any public deposits.
- The company has defaulted in repayment of dues to any financial institutions or bank and same has been disclosed in audit Report and in financial statement.
- The company has defaulted in payment of deposit, loan and interest thereon and accordingly the directors of the company are restricted from being appointed as a director in terms of sub-section (2) of section 164 of the Company's Act.
- 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.

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- There are no undisputed amounts payable in respect of Wealth tax, Service tax, Interest tax, Sales tax, Customs duty, Excise duty, GST 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 31.03.2021.
- 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 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, 2021. 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 31.03.2021 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.

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- The Company have not entered into any 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
- There is a capital commitment of Rs. 27.07 Crores at the end of the year as disclosed in the financial statement.
- Fixed assets have been physically verified by the management in phased manner. No material discrepancies were noted on such verification.
- No Managerial remuneration has been paid to directors during the year or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- 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.
- The company has not carried out the internal audit during the year 2020-21.
- There were no pending litigations which would impact the financial position of the company other than those disclosed in the financials.
- The company has paid of Rs. 50,000 vide Ch No. 896555 Dt. 20.07.13 Fixed Deposit in Canara Bank in Favour of Assistant Commissioner of Commercial Tax, Bhuj, Gujarat A/c Valecha Kachchh Toll Roads Ltd for 36 Months. However, the company does not have any supporting documents for the same.
- The company has not paid the interest on statutory liability related to WCT of Rs. 1.56 Lac for more than 4 years as on 31.03.2021.
- Amount payable to GSRDCL of Rs. 15.74 lakhs, Infinite Civil Solution of Rs. 15.41 Lakh, Rites Limited of Rs. 30.99 Lakh, Vaan Infra of Rs. 40.61 Lakhs, Skylark Highway Solution of Rs. 14.93 Lakhs are pending since long as on 31.03.2021.

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- Independent Engineer Reimbursement payable of Rs. 57,00,000 pending since long.

  The Company has given advances amounting to Rs. 42.31 Crores to VEL (Holding Company) as per the terms of the EPC Agreement Of which Rs. 5.38 crores for Machinery Advance, Rs. 24.53 crores for Material Advance and Rs. 12.39 crores for Mobilization Advance, The company has taken loan from Holding company of Rs. 58.45 crores. Repayment of which shall not be made unless the advance is adjusted and subject to terms and condition from where company has taken bank loans.

- Advances given to other group company / associate amounting to Rs. 0.24 crores as on 31.03.2021. (Valecha Infrastructures Ltd Assets of Rs. 0.22 crore, and Valecha LM Toll Private Limited of Rs. 0.02 crore)

We do hereby also certify that all the condition of the concessionaire agreement with GSRDC is being fulfilled by the company and there is no dispute with GSRDV 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 Kachchh Toll Roads Limited

Santosh Kr. Patro

Santosh Kumar Patro
(Director)
DIN: 07571177

Anil Sakharam Korpe
(Director)
DIN : 07543339

VALECHA KACHCHH TOLL ROADS LIMITED