

Under Insolvency Resolution Process

Ref: VEL/2022-23

01.08.2023

BSE LIMITED P. J. Towers, Dalal Street, Mumbai – 400 001 SCRIP CODE 532389	NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 VALECHENG
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Dear Sir/Madam,

**SUB: BOARD MEETING SCHEDULED TO BE HELD ON FRIDAY, 04.08.2023
PREPONED ON TUESDAY, 01.08.2023**

**OUTCOME OF ADJOURNED BOARD MEETING HELD ON TUESDAY,
01.08.2023**

REF: OUR LETTER NO. VEL/2022-23 DATED 21.07.2023 AND 31.07.2023

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, we would like to inform you that the Board of Directors of the Company at their Adjourned meeting held today i.e. **Tuesday, 01.08.2023** has inter-alia considered and approved/taken on record the following:

1. Audited Standalone Financial Results of the Company for the Quarter and Twelve Months ended **31st March, 2023**.
2. Audited Consolidated Financial Results of the Company for the Quarter and Twelve Months ended **31st March, 2023**.
3. Independent Auditor's Report issued by M/s Bagaria & Co. LLP, Statutory Auditors of the Company on Audited Standalone and Consolidated Financial Results for the Quarter and Twelve Months ended **31st March, 2023**.

The meeting commenced at **02.30 PM** the concluded at **04.00 PM**.

We request you to kindly take the above on record.

Thanking You,

Yours Faithfully,

For VALECHA ENGINEERING LIMITED



(VIJAYKUMAR MODI)

VALECHA ENGINEERING LIMITED



(An ISO 9001-2015 Company) CIN : L74210MH1977PLC019535

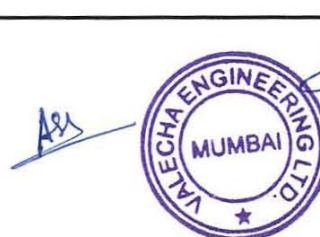
Regd. Office : Valecha Chambers, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.

Email : ho@valecha.in Website : valechaeng.com

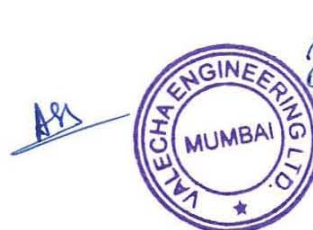
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023

(₹ in Crores) Except EPS

Sr. No.	PARTICULARS	Standalone				
		For the quarter ended on			For the year ended on	
		31.03.2023 (Audited)	31.12.2022 (Unaudited)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
1	Income					
	(a) Revenue from Operations	10.95	37.27	60.57	90.07	230.81
	(b) Other Income	1.64	0.44	5.19	3.61	7.96
	Total Income	12.59	37.71	65.76	93.68	238.77
2	Expenses					
	a. Construction Expenses	25.04	35.78	62.83	101.27	226.42
	b. Changes in inventories	(0.01)	-	0.08	0.02	1.08
	c. Employees Benefits Expense	1.15	1.53	1.56	5.41	5.62
	d. Finance costs	0.08	0.01	0.01	0.19	0.21
	e. Depreciation and amortization Expenses	0.14	0.14	0.10	0.54	0.40
	f. Other Expenses	1.10	1.00	1.00	3.90	2.71
	Total Expenses	27.50	38.46	65.58	111.33	236.44
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	(14.91)	(0.75)	0.18	(17.65)	2.33
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-	-
5	Profit / (Loss) before Exceptional Items and tax (3+4)	(14.91)	(0.75)	0.18	(17.65)	2.33
6	Exceptional Items	-	-	-	-	-
7	Profit / (Loss) before tax (5-6)	(14.91)	(0.75)	0.18	(17.65)	2.33
8	Tax Expense					
	(a) Current Tax (Including earlier year taxation)	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	(14.91)	(0.75)	0.18	(17.65)	2.33
10	Other Comprehensive Income (OCI)					
	(a) i. Items that will not be reclassified to profit or loss	0.02	(0.01)	0.20	(0.01)	0.17
	ii. Income tax relating to items that will not be reclassified to profit or loss					-
	(b) i. Item that will be reclassified to profit or loss	(2.29)	0.35	0.36	-	0.72
	ii. Income tax relating to items that will be reclassified to profit or loss					-
	Total Other Comprehensive Income	(2.27)	0.34	0.56	(0.01)	0.89
11	Total Comprehensive Income for the period (9+10)	(17.18)	(0.41)	0.74	(17.66)	3.22
12	Net Profit/(Loss) attributable to :					
	Shareholders of the Company	-	-	-	-	-
	Non-Controlling interest	-	-	-	-	-
13	Other Comprehensive Income attributable to :					
	Shareholders of the Company	-	-	-	-	-
	Non-Controlling interest	-	-	-	-	-
14	Total Comprehensive Income attributable to :					
	Shareholders of the Company	-	-	-	-	-
	Non-Controlling interest	-	-	-	-	-
15	Paid-up Equity Share Capital (Face Value ₹ 10/-)	22.53	22.53	22.53	22.53	22.53
16	Other Equity Excluding Revaluation Reserves				(0.81)	16.85
17	Earning Per Share (of ₹ 10/- each) (not annualised):					
	(i) Basic earnings (loss) per share	(6.62)	(0.33)	0.08	(7.83)	1.03
	(ii) Diluted earnings (loss) per share	(6.62)	(0.33)	0.08	(7.83)	1.03
	See accompanying note to the Financial Results					



VALECHA ENGINEERING LIMITED		
(An ISO 9001-2008 Company) CIN : L74210MH1977PLC019535		
Regd. Office : Valecha Chambers, 4 th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.		
Email : ho@valecha.in Website : valechaeng.com		
STANDALONE BALANCE SHEET		
(₹ in Crores)		
Particulars	STANDALONE	
	As at 31st March 2023	As at 31st March 2022
	(Audited)	(Audited)
ASSETS		
Non Current Assets		
(a) Property, Plant & Equipment	2.31	2.68
(b) Right of use assets	0.11	0.05
(c) Investment Property	1.62	1.66
(d) Financial Assets		
(i) Investments	42.07	42.07
(ii) Other Financial Assets	80.92	74.48
(e) Other Non-Current Assets	36.99	44.98
Total Non Current Assets	164.02	165.92
Current Assets		
(a) Inventories	0.01	0.03
(b) Financial Assets		
(i) Trade Receivables	298.97	305.24
(ii) Cash & Cash Equivalents	9.08	5.60
(iii) Bank Balances other than (iii) above	4.25	4.18
(iv) Loans	286.53	286.60
(v) Other Financial Assets	6.36	5.97
(c) Other Current Assets	26.54	31.18
Total Current Assets	631.74	638.80
Total Assets	795.76	804.72
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	22.53	22.53
(b) Other Equity	(0.81)	16.85
Equity Attributable to Shareholders of the Company	21.72	39.38
Non-Controlling Interest	-	-
Total Equity	21.72	39.38
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	30.78	30.78
(ii) Other Financial Liabilities	77.97	71.41
(b) Provisions	0.58	0.13
Total Non Current Liabilities	109.33	102.32
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	467.53	467.56
(ii) Trade Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises; and	-	0.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises	73.60	72.15
(iii) Other Financial Liabilities	116.12	113.05
(b) Other Current Liabilities	7.05	9.35
(c) Provisions	0.41	0.76
Total Current Liabilities	664.71	663.02
Total Equity & Liabilities	795.76	804.72



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VALECHA ENGINEERING LIMITED		
Standalone Statement of Cash Flow for the year ended March 31, 2023		
(Rupees in Crores)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
	(Audited)	(Audited)
A. Cash flow from Operating activities		
Profit Before Tax	(17.65)	2.33
Add / (Deduct) Adjustment for :		
Depreciation and Amortization Expense	0.54	0.40
Finance Cost	0.19	0.21
Interest Income	(1.63)	(3.10)
Re-measurement of defined benefit plans	(0.01)	0.17
Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	-	0.72
Rental Income from Investment Properties	(0.40)	(0.86)
Operating Profit/ (Loss) before Working Capital changes	(18.96)	(0.13)
Changes in Working Capital:		
Adjustment for (increase) / decrease in operating assets:		
Decrease in Inventories	0.03	1.08
(Increase)/ Decrease in Trade Receivable	6.27	6.90
(Increase) / Decrease Loans	0.08	3.60
(Increase)/ Decrease in other current assets and non-current financial assets	(2.26)	(3.69)
Adjustment for (increase) / decrease in operating liabilities:		
Increase/ (Decrease) in Trade Payables	1.30	(22.12)
Increase/(Decrease) in other current and financial liabilities (non-current)	7.33	(0.99)
Increase/ (Decrease) in Provisions	0.09	(0.11)
Cash Generated From / (used in) Operations	(6.12)	(15.46)
Direct Taxes (Paid)	7.99	(2.49)
Net Cash Flow from operating activities (A)	1.87	(17.95)
B. Cash Flow from investing activities		
Capital Expenditure for Property, Plant and Equipments, Right of use assets, Investments Property, Intangible Assets including CWIP	(0.20)	(1.14)
Investments in subsidiaries	-	(0.01)
Interest received	1.63	3.10
Rental Income from investment property	0.40	0.86
Net Cash flow from investing activities (B)	1.83	2.81
C. Cash flow from financing activities		
Net increase / (Decrease) in Working Capital borrowings	(0.03)	(2.12)
Finance Cost	(0.19)	(0.21)
Net Cash flow used in financing activities (C)	(0.22)	(2.33)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	3.48	(17.47)
Cash and Cash Equivalent at the beginning of the period	5.60	23.07
Cash and Cash Equivalent at the end of the period	9.08	5.60
Note: Figures in brackets represents cash outflow		



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VALECHA ENGINEERING LIMITED



(An ISO 9001-2015 Company) CIN : L74210MH1977PLC019535

Regd. Office : Valecha Chambers, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.

Email : ho@valecha.in Website : valechaeng.com

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023

(₹ in Crores) Except EPS

Sr. No.	PARTICULARS	Consolidated				
		For the quarter ended on			For the year ended on	
		31.03.2023 (Audited)	31.12.2022 (Unaudited)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
1	Income					
	(a) Revenue from Operations	19.10	42.59	58.76	113.69	234.43
	(b) Other Income	1.63	0.45	5.47	3.62	8.29
	Total Income	20.73	43.04	64.23	117.31	242.72
2	Expenses					
	a. Construction Expenses	25.05	35.76	62.85	101.27	226.42
	b. Changes in inventories	(0.01)	0.01	0.07	0.02	1.08
	c. Employees Benefits Expense	1.38	1.87	1.73	6.35	6.26
	d. Finance costs	44.65	42.44	35.86	173.63	142.92
	e. Depreciation and amortization Expenses	4.29	6.04	5.98	22.34	23.86
	f. Other Expenses	2.46	3.16	2.82	11.28	12.02
	Total Expenses	77.82	89.28	109.31	314.89	412.56
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	(57.09)	(46.24)	(45.08)	(197.58)	(169.84)
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-	-
5	Profit / (Loss) before Exceptional Items and tax (3+4)	(57.09)	(46.24)	(45.08)	(197.58)	(169.84)
6	Exceptional Items	287.39	-	-	287.39	-
7	Profit / (Loss) before tax (5-6)	(344.48)	(46.24)	(45.08)	(484.97)	(169.84)
8	Tax Expense					
	(a) Current Tax (Including earlier year taxation)	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	(344.48)	(46.24)	(45.08)	(484.97)	(169.84)
10	Other Comprehensive Income (OCI)					
	(a) i. Items that will not be reclassified to profit or loss	0.02	(0.01)	0.20	(0.01)	0.17
	ii. Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	(b) i. Item that will be reclassified to profit or loss	(2.29)	0.35	0.36	-	0.72
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income	(2.27)	0.34	0.56	(0.01)	0.89
11	Total Comprehensive Income for the period (9+10)	(346.75)	(45.90)	(44.52)	(484.98)	(168.95)
12	Net Profit/(Loss) attributable to :					
	Shareholders of the Company	(182.74)	(28.00)	(30.38)	(268.51)	(110.55)
	Non-Controlling interest	(161.75)	(18.23)	(14.66)	(216.46)	(59.29)
13	Other Comprehensive Income attributable to :					
	Shareholders of the Company	(2.27)	0.34	0.56	(0.01)	0.89
	Non-Controlling interest	-	-	-	-	-
14	Total Comprehensive Income attributable to :					
	Shareholders of the Company	(185.01)	(27.66)	(29.82)	(268.52)	(109.66)
	Non-Controlling interest	(161.75)	(18.23)	(14.66)	(216.46)	(59.29)
15	Paid-up Equity Share Capital (Face Value ₹ 10/-)	22.53	22.53	22.53	22.53	22.53
16	Other Equity Excluding Revaluation Reserves	-	-	-	(1,509.53)	(1,024.54)
17	Earning Per Share (of ₹ 10/- each) (not annualised):					
	(i) Basic earnings (loss) per share	(152.90)	(20.52)	(20.01)	(215.26)	(75.38)
	(ii) Diluted earnings (loss) per share	(152.90)	(20.52)	(20.01)	(215.26)	(75.38)
	See accompanying note to the Financial Results					



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VALECHA ENGINEERING LIMITED		
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Regd. Office : Valecha Chambers, 4 th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.		
Email : ho@valecha.in Website : valechaeng.com		
CONSOLIDATED BALANCE SHEET		
(₹ in Crores)		
Particulars	CONSOLIDATED	
	As at 31st March 2023	As at 31st March 2022
	(Audited)	(Audited)
ASSETS		
Non Current Assets		
(a) Property, Plant & Equipment	2.57	3.06
(b) Right of use assets	0.11	0.05
(c) Capital Work in Progress	-	-
(d) Investment Property	1.62	1.74
(e) Goodwill on Consolidation	1.80	1.80
(f) Other Intangible Assets	24.18	119.34
(g) Intangible Assets under development	-	203.59
(h) Financial Assets		
(i) Investments	0.08	0.06
(ii) Loans	-	-
(iii) Other Financial Assets	80.92	74.49
(i) Deferred Tax Assets (Net)	-	-
(j) Other Non-Current Assets	37.65	45.74
Total Non Current Assets	148.93	449.89
Current Assets		
(a) Inventories	0.01	0.03
(b) Financial Assets	-	-
(i) Other Investments	-	-
(ii) Trade Receivables	302.90	305.54
(iii) Cash & Cash Equivalents	9.62	7.38
(iv) Bank Balances other than (iii) above	4.25	4.17
(v) Loans	92.59	92.17
(vi) Other Financial Assets	6.81	6.41
(c) Other Current Assets	27.90	28.38
Total Current Assets	444.08	444.08
Total Assets	593.01	893.97
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	22.53	22.53
(b) Other Equity	(971.39)	(702.86)
Equity Attributable to Shareholders of the Company	(948.86)	(680.33)
Non-Controlling Interest	(538.14)	(321.68)
Total Equity	(1,487.00)	(1,002.01)
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	51.21	52.89
(ii) Other Financial Liabilities	36.93	28.95
(b) Provisions	0.58	0.13
(c) Deferred Tax Liabilities (Net)	3.77	3.77
(d) Other Non-Current Liabilities	35.46	33.37
Total Non Current Liabilities	127.95	119.11
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	990.47	992.69
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises; and	-	0.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises	64.12	62.45
(iii) Other Financial Liabilities	889.54	713.22
(b) Other Current Liabilities	7.52	7.59
(c) Provisions	0.41	0.77
Total Current Liabilities	1,952.06	1,776.87
Total Equity & Liabilities	593.01	893.97

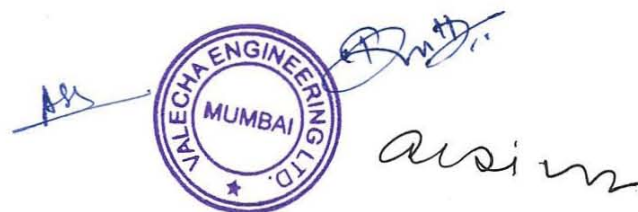


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VALECHA ENGINEERING LIMITED
Consolidated Statement of Cash Flow For Year Ended March 31, 2023

(Rupees in Crores)

Particulars	Year Ended March 31, 2023 (Audited)	Year Ended March 31, 2022 (Audited)
A. Cash flow from Operating activities		
Profit/ (Loss) Before Tax	(484.97)	(169.84)
Add / (Deduct) Adjustment for :		
Depreciation and Amortization Expense	22.34	23.87
Derecognition of control in subsidiary (Refer note 12)	-	(0.00)
(Profit)/ Loss on sale of fixed assets and Investment in Property (Net)	-	(0.00)
Impairment/ Discard of Tangible and Intangible Assets	287.39	-
Finance Cost	173.63	142.93
Interest Income	(1.63)	(3.10)
Re-measurement of defined benefit plans	(0.01)	0.17
Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	-	0.72
Rental Income from Investment Properties	(0.40)	(0.86)
Operating Profit/ (Loss) before Working Capital changes	(3.65)	(6.12)
Changes in Working Capital:		
Adjustment for (increase) / decrease in operating assets:		
Decrease in Inventories	0.03	1.08
(Increase)/ Decrease in Trade Receivable	2.64	4.58
(Increase) / Decrease Loans	(0.42)	2.68
(Increase)/ Decrease in other current assets and non-current financial assets	(6.43)	6.30
Adjustment for (increase) / decrease in operating liabilities:		
Increase/ (Decrease) in Trade Payables	1.52	(22.09)
Increase/(Decrease) in other current and financial liabilities (non-current)	186.75	138.77
Increase/ (Decrease) in Provisions	(0.35)	(0.10)
Cash Generated From / (used in) Operations	180.08	125.11
Direct Taxes (Paid)	8.08	(2.74)
Net Cash Flow from operating activities (A)	188.17	122.37
B. Cash Flow from investing activities		
Capital Expenditure for Property, Plant and Equipments, Investments Property, Intangible Assets including CWIP	(10.43)	(5.69)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	-	0.00
Investment in shares	-	(0.03)
Interest received	1.63	3.10
Rental Income from investment property	0.40	0.86
Net Cash flow from investing activities (B)	(8.40)	(1.75)
C. Cash flow from financing activities		
Proceeds from/ (Repayment) of long term borrowings	(1.68)	(7.73)
Net increase / (Decrease) in Working Capital borrowings	(2.22)	12.47
Finance Cost	(173.63)	(142.93)
Net Cash flow used in financing activities (C)	(177.53)	(138.20)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	2.24	(17.58)
Cash and Cash Equivalent at the beginning of the period	7.38	24.95
Cash and Cash Equivalent on account of derecognition/ recognition of step-down subsidiary	-	0.01
Cash and Cash Equivalent at the end of the period	9.62	7.38
Note: Figures in brackets represents cash outflow		



Notes to the Audited Standalone and Consolidated Statements of Financial Results for the quarter and year ended March 31, 2023:

1. This result has been prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.
2. The Company is engaged in "Construction Activity" and there are no other reportable segments under Ind AS 108 "Operating Segments".
3. Hon'ble, NCLT, Mumbai, passed order dated 21.10.2022 in Company Petition no. CP (IB) No.594/MB-IV/2021 filed by STATE BANK OF INDIA, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against the Company, Corporate Debtor/Respondent, for initiating Corporate Insolvency Resolution Process (CIRP).

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

4. The above audited financial results were prepared by the management of the Company and RP took the same on record basis. The Statutory Auditors have carried out the Audit of the Financial Results for the quarter and year ended March 31, 2023 vide their report dated Aug 1,,2023.
5. With respect to the financial results for the quarter and year ended March 31, 2023, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:
 - i. The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
 - ii. No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
 - iii. The RP, in audit of the financial results and while signing this statement of financial results, has relied upon the assistance provided by the Key Managerial Personnel ("KMP") of the Corporate Debtor, and representations and statements made by the KMP of the Corporate Debtor, in relation to these financial results. The statement of financial results of the Corporate Debtor for the quarter and year ended March 31, 2023 have been taken on record by the RP solely on the basis of and on relying the aforesaid representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial results.
6. Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency



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Signature of Anurag Kumar Sinha

petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. Further, Valecha Engineering Limited (VEL) has given Corporate Guarantees of Rs.990.47 Crores for the loans availed by VKTRL. The Company has not made any provision on this count in view of likely admission of VKTRL in to CIRP and then likely resolution also.

The Company has also neither evaluated any impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" nor made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect of its Investment made of Rs. 39.84 crores and loan given of Rs. 73.46 crores to VKTRL, in view of ongoing CIRP proceedings of Valecha Engineering Limited, where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.

7. Valecha LM Toll Private Limited (VLMTPL), an erstwhile step down subsidiary of the Company, has been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. The asset of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. Further, Corporate Guarantees of Rs.261.14 Crores given by VEL has been invoked by the secured financial creditors of VLMTPL against the Company. However, the Company has not made any provision on this count in view of ongoing CIRP proceedings of VEL and likely approval of Resolution Plan of Resolution Applicant.
8. The Holding Company has also not evaluated impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" in relation to investments made for Rs.2.19 crores in four subsidiary companies, loans and advances given of Rs.180.46 crores to four subsidiary companies and one step-down subsidiary company.

In view of the primary security already provided by the Subsidiaries and step-down subsidiary company, the Holding Company has not provided for any further liability towards Impairment of above referred Loans & Advances and Investment in Subsidiaries as per the requirements of Ind AS 109 & Ind AS 113.

Corporate Guarantees of Rs. 168.81 Crores has been given by VEL for the loans granted to one subsidiary and one step-down subsidiary a by secured financial creditor.. However, the Company has not made any provision on this account in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.

9. The Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 298.97 crores which includes Rs. 99.45 crores pertaining to additional claims raised during earlier years on account of escalation and various other reasons which are under consideration and deliberation before various authorities. The Company has not evaluated impairment provisions for expected credit losses as required under Ind AS 109 "Financial Instruments" for loans extended to various related parties (other than subsidiaries, step down subsidiaries and associate company) amounting to Rs. 6.50 crores, loans given to other than related parties amounting to Rs. 26.11 crores and advances to suppliers amounting to Rs.32.17 crores as at March 31, 2023 in view of ongoing CIRP Proceedings against VEL where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.



10. The Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification. In view of NPA classification, company has not provided any interest liability post March 31, 2018.

Presently, the Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2023.

11. The Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of the already weak financial position of the Company, the Company has not provided any further interest on these outstanding overdue deposits. Further, there has been NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and NCLAT order dated 12.02.2020 in the matter.
12. Other Non Current Assets as at March 31, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.
13. The Company has many project sites which have either been de-mobilized or completed or otherwise shut / non-operational. The Company could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written back. Such Project Sites comprises total assets of Rs. 84.36 crores [including Trade Receivables Rs. 70.46 crores and loans to other parties Rs. 5.54 crores referred in point 9 above, balances with revenue authorities of Rs. 8.33 crores referred in point 12 above and total liabilities of Rs. 26.70 crores as at March 31, 2023.
14. The Holding Company has certain in-operative Bank accounts, which have turned dormant on account of closure of sites, changes in signatories etc. The Holding Company is in the process of obtaining the statements of such inoperative and dormant bank accounts.
15. The accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations, and adjustments.
16. The accumulated losses incurred in the past years have resulted in erosion of Company's peak Net worth. However, in view of the fact that CIRP has been initiated against the company and since as per provisions of IBC, 2016, as the company is to be kept as a going concern, financial results are prepared assuming that it will continue as a going concern. During the ongoing CIRP, the RP has also received claims from various operational and financial creditors.

In certain instances, the amount of the claim admitted or to be admitted by RP under CIRP differ from the amount reflecting in the books of accounts of the Company. The above audited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31, 2023.

17. The Company's appeals against the winding up orders dated 01.03.2018 and 26.04.2018 passed by the Hon'ble Bombay High Court were dismissed by the Hon'ble High Court vide orders dated 05.03.2021 and 09.03.2021 and consequently the Company's operations and activities were suspended. With all intent & purpose to complete the ongoing existing projects being undertaken by the Company, Gopaldas Vasudev Construction Private Limited, a related party of the Company carried out activities relating to the arrangement of the vendor payments, site expenses and administrative expenses for ongoing projects ("project payables") for and on behalf of the Company.



During the quarter and year ended March 31, 2023, the Company has transferred an aggregate sum of Rs. NIL and Rs.14.16 Crores respectively (transferred prior to CIRP commencement i.e. prior to 31.10.2022 when NCLT order was received), to the said related party to arrange project related expenses payables for and on behalf of the Company. Out of the above funds, during the quarter and year ended March 31, 2023, Rs. 0.31 Crores and Rs.13.38 Crores respectively, has been utilized towards the project payables and debited to the Company. The Company has also appropriately accounted all such project expense paid/ payables in its books of account.

18. Specific notes related with Subsidiary Companies:

a) Valecha Reality Limited (VRL)

i. VRL has given a loan amounting to Rs 6.51 crores to M/s SVK Arcade LLP which is long outstanding in the Books of Accounts. VRL is not recognizing & receiving any interest on such loan and has neither made any provision for the loan amount outstanding.

ii. VRL has received loans from Valecha Engineering Limited ("VEL") and Valecha Infrastructure Ltd ("VIL") to the tune of Rs. 0.28 crores and Rs. 6.52 crores respectively. VRL has not paid any interest on the same nor has it made any provisioning of the interest payable. VEL has not recovered any interest in view of already weak financial position of VRL. Similarly, VIL has also not recovered any interest amount from VRL in view of already weak financial position of VRL.

b) Valecha Kachchh Toll Roads Limited (VKTRL)

VKTRL continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses for the quarter and year ended March 31,2023 and in previous financial years. It has also continued to default in repayment of its financial obligation including interest. VKTRL has received PCOD (provisional commercial operation date) for section 1 from GSRDC on 13.05.2015 which was operational and revenue was being generated upto 23.02.2023. VKTRL was also close to final completion and commencement of toll operations for Section 2 of the Project. VKTRL has already submitted a claim of Rs.1862.03 crores on GSRDC towards delay events upto and including 31.03.2022 on 26.07.2022. GSRDC has also made a counter claim of Rs. 416.27 Crores on VKTRL and accordingly both the parties have moved to conciliation process in accordance with the provisions of the Concession Agreement. During the pendency of the Conciliation process, GSRDC has terminated the contract with VKTRL on 23.02.2023 and has taken over control of its toll operations. Further GSRDC has also invoked arbitration proceedings vide letter dated 07.03.2023 during the pendency of the conciliation process which VKTRL has strongly opposed and have asked for completion of conciliation process before invoking of arbitration clause. VKTRL is also in the process to submit an upward revised Statement of Claims for the period upto and including 23.02.2023.

On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission.

19. Consolidated results for the quarter ended March 31,2023 includes results of following Subsidiaries:

Sr. No.	Name of Company	Relation
1	Valecha Infrastructure Limited	Wholly Owned Subsidiary Company
2	Professional Realtors Private Limited	Wholly Owned Subsidiary Company
3	Valecha International (FZE)	Wholly Owned Subsidiary Company
4	Valecha Kachchh Toll Roads Limited	Subsidiary Company



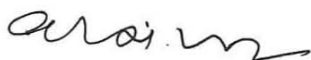
5	Valecha Reality Limited	Subsidiary Company
6	Valecha Badwani Sendhwa Tollways Limited	Step-Down Subsidiary Company

In case of Valecha International FZE, Holding Company's Management certified results have been considered for consolidation.

The Holding Company could not consolidate financial results of "Aryavrat Tollways Private Limited", an Associate Company, as it has not yet received its results. The Company has not consolidated financial results of this associate company in the previous year also. Based on the discussion with respective management, there are no material or significant transactions in the associate company, hence we do not foresee any material impacts on the financial results of the Holding Company.

20. The previous period's figures have been re-grouped/ re-classified wherever required to conform to current period's classification. All figures of financials are stated as Rs. in Crores except otherwise stated.

For VALECHA ENGINEERING LIMITED



Anurag Kumar Sinha

Resolution Professional Of Valecha Engineering Limited
IBBI/PA-001/IP-P00427/2017-18/10750

For VALECHA ENGINEERING LIMITED



Tarun Dutta

Chief Executive Officer



Anil Korpe

Chief Financial Officer

DATE: Aug 1, 2023

PLACE: MUMBAI



INDEPENDENT AUDITOR'S REPORT

To The Resolution Professional (RP)
Valecha Engineering Limited

Report on the Audit of the Standalone Financial Results

The Honourable National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by a Financial Creditor under Section 7 of Insolvency & Bankruptcy Code, 2016 against Valecha Engineering Limited ("the Company") vide its order dated 21.10.2022 and appointed Mr. Anurag Kumar Sinha to act as the Interim Resolution Professional (IRP). Anurag Kumar Sinha in his capacity as IRP had taken control and custody of the management and operations of the Company from October 21, 2022. Thereafter, Committee of Creditors of the Corporate Debtors, at the meetings of the CoC held on November 30, 2022, has confirmed the Interim Resolution Professional as the Resolution Professional ("RP")

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the standalone financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone financial results. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), as explained above the power of the Board stands suspended and exercised by the IRP.

Qualified Opinion

We have audited the accompanying standalone financial results of **Valecha Engineering Limited** ('the Company') for the quarter and year ended March 31, 2023 (the "Standalone Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in Basis for Qualified Opinion section below of our report these standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the net loss, other comprehensive income and other financial information for the year ended March 31, 2023.

Basis for Qualified Opinion:

We draw attention to the followings:

- i. As explained in Note No. 6 to the Standalone Statement, Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. The Company has not made any impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" nor made any fair valuation as per the requirements



of Ind AS 113 "Fair Value Measurements" in respect of loan of Rs. 73.46 crores and Investment made of Rs. 39.84 crores and Corporate guarantees provided of Rs. 990.47 Crores.

Had the Company made provision towards impairment of such Loans, Investments and Corporate Guarantees to VKTRL, the Net Loss of the Company would have increased by Rs 1103.77 Crores.

- ii. As explained in Note No. 7 to the Standalone Statement, Valecha LM Toll Private Limited (VLMTPL), an erstwhile step down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL) is undergoing liquidation under Insolvency and Bankruptcy Code, 2016 vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai. Consequently, the assets of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. Further, Corporate Guarantees given by VEL of Rs. 261.14 Crores has been invoked by the secured financial creditors of VLMTPL against the Company. However, the Company has not made any provision towards such invocation of Corporate Guarantees.

Had the Company made provision towards impairment of such Corporate Guarantees to VLMTPL, the Net Loss of the Company would have increased by Rs 261.14 Crores

- iii. As explained in Note 8 to the Standalone Statement, the Company has not evaluated impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" in relation to following Investments made, loans and advances given and Corporate Guarantees extended to its Subsidiaries and Step-Down Subsidiary whose net-worth is completely eroded on account of continued losses incurred in the past:

- Investments aggregating to Rs.2.19 crores in its four subsidiary companies ,
- Loans & advances aggregating to Rs.180.46 crores given to its four subsidiary companies and one step-down subsidiary company;
- Corporate Guarantees aggregating to Rs.168.81 crores to Banks on behalf of one Subsidiary company and one Step-down Subsidiary company.

The Company has also not done any fair valuation of its Corporate guarantees referred to in point (iii) above nor has recognized guarantee fees/commission during the period in relation to such Corporate guarantees issued without consideration as per the requirements of Ind AS 109 & Ind AS 113.

Had the Company made provision towards impairment of such Investments, Loans and Corporate Guarantees, the Net Loss of the Company would have increased by Rs 351.46 Crores.

- iv. As explained in Note No. 9 to the Standalone Statement, the Company has not evaluated expected credit losses for outstanding Trade Receivables of Rs. 298.97 crores which includes Rs. 99.45 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under consideration and deliberation before various authorities.

The Company has also not evaluated impairment provisions for expected credit losses as required under Ind AS 109 "Financial Instruments" for loans given to related parties (other than subsidiaries, step down subsidiaries and associate company) amounting to Rs. 6.50 crores, loans given to other than related parties amounting to Rs. 26.11 crores and advances to suppliers amounting to Rs. 32.17 crores as at March 31, 2023.

In absence of any detailed information regarding the recoverability of such loans and advances, third party confirmation/reconciliations for such trade receivables and loans and advances, we are unable to



comment upon the recoverability and corresponding impact of impairment on the net results for the quarter and year ended March 31, 2023.

- v. As explained in Note No. 10 to the Standalone Statement, the Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification and has not provided for any further interest liability in relation to its outstanding debts.

The Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2023.

In absence of any further detailed information and computation of such interest, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2023, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.

- vi. As explained in Note No. 11 to the Standalone Statement, the Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of its already weak financial position, the Company has not made any provision of interest on these outstanding fixed deposits.

In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the net results for the quarter and year ended March 31, 2023.

- vii. As explained in Note No. 12 to the Standalone Statement, Other Non-Current Assets as at March 31, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.

Had the Company made provision towards such indirect taxes from Government Authorities, the Net Loss of the Company would have increased by Rs 31.35 Crores.

- viii. As explained in Note No. 13 to the Standalone Statement, the Company has sixteen project sites, which have either been de-mobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written back.

Such Project Sites comprises total assets of Rs. 84.36 crores [including Trade Receivables Rs. 70.46 crores and loans to other parties Rs. 5.54 crores referred in point iv above, balances with revenue authorities of Rs. 8.33 crores referred in point vii above] and total liabilities of Rs. 26.70 crores as at March 31, 2023. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter and year ended March 31, 2023 had the said units been audited by us.

- ix. As explained in Note no 14 to the Standalone Statement, the Company has certain in-operative Bank accounts, which have turned dormant on account of multiple reasons such as closure of sites, changes in signatories etc. The Company is unable to obtain the statements of such inoperative and dormant bank accounts.

In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the net results for the quarter and year ended March 31, 2023.



- x. As explained in Note no 15 to the Standalone Statement, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the net results for the quarter and year ended March 31, 2023, the amounts whereof are presently not ascertainable.
- xi. As explained in Note No. 17 to the Standalone Statement, the Company operations and activities were suspended vide Court Orders dated 05.03.2021 and 09.03.2021. However, to complete the ongoing existing projects being undertaken by the Company, Gopaldas Vasudev Construction Private Limited, a related party of the Company carried out activities relating to the management of the vendor payments, site expenses and administrative expenses for ongoing projects ("project payables") for and on behalf of the Company. During the quarter and year ended March 31, 2023, the Company has transferred an aggregate sum of NIL and Rs. 14.16 crores respectively to the said related party to manage project payables for and on behalf of the Company. Out of the above funds, Rs.0.31 crores and Rs.13.38 crores respectively has been utilized towards the project payables and debited to the Company. The Company has also appropriately accounted all such project payables in its books of account.
- We are unable to comment on the consequential impact if any arising out of the above events on the net results for the quarter and year ended March 31, 2023.
- xii. There are various Legal Cases filed by / against the Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the net results for the quarter and year ended March 31, 2023, the amounts whereof are presently not ascertainable.

The matters stated above were also subject matter of qualification in our review conclusion on the unaudited standalone financial results for the quarter ended December 31, 2022. The matters stated above except point (i) was also subject matter of qualification in our audit opinion on the audited standalone financial results for the quarter and year ended March 31, 2022.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone financial results* 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 results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Standalone financial results.

Material Uncertainty Related to Going Concern:

We draw attention to Note No. 10 & Note No. 16 to the Standalone Statement which indicates that the Company has accumulated losses and its net worth has been substantially eroded and there has been defaults in repayment of various borrowings and deposits. These conditions, along with the commencement of CIRP proceedings as set forth in Note No 3, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the standalone financial results of the Company have been prepared on a going concern basis for the reasons stated in Note No.16 to the Standalone Statement.

Management's Responsibilities for the Standalone financial results

These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of these standalone



financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records; relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone financial results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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 standalone financial results.

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 standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's 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 standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

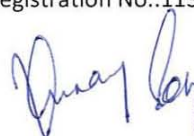
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter:

The Standalone financial results include the results for the quarter ended March 31, 2023 and corresponding quarter ended of the previous year being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current and previous financial year which were subject to limited review.

Our opinion is not modified in respect of these matters.

For Bagaria and Co. LLP
Chartered Accountants
Firm Registration No.:113447W/W-100019



Vinay Somani
Partner

Membership No. 143503
UDIN: 23143503BGWEOH4882



Place: Mumbai
Date: Aug 1, 2023

INDEPENDENT AUDITOR'S REPORT

To The Resolution Professional (RP)
Valecha Engineering Limited

Report on the Audit of the Consolidated Financial Results

The Honourable National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by a Financial Creditor under Section 7 of Insolvency & Bankruptcy Code, 2016 against Valecha Engineering Limited ("the Holding Company") vide its order dated 21.10.2022 and appointed Mr. Anurag Kumar Sinha to act as the Interim Resolution Professional (IRP). Anurag Kumar Sinha in his capacity as IRP had taken control and custody of the management and operations of the Company from October 21, 2022. Thereafter, Committee of Creditors of the Corporate Debtors, at the meetings of the CoC held on November 30, 2022, has confirmed the Interim Resolution Professional as the Resolution Professional ("RP")

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the consolidated financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the consolidated financial results. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), as explained above the power of the Board stands suspended and exercised by the RP.

Qualified Opinion

We have audited the accompanying consolidated financial results of **Valecha Engineering Limited (hereinafter referred to as the "Holding Company")** and its subsidiaries and associates (the Holding Company, its subsidiaries and its associates together referred to as "the Group") for the year ended March 31, 2023, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in Basis for Qualified Opinion section below of our report and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, step down subsidiaries and associate company, the aforesaid consolidated financial results:

- a. includes the results of the following entities;

Sr. No.	Name of Company	Relation
1	Valecha Infrastructure Limited	Wholly Owned Subsidiary Company
2	Professional Realtors Private Limited	Wholly Owned Subsidiary Company
3	Valecha International (FZE)	Wholly Owned Subsidiary Company
4	Valecha Badwani Sendhwa Tollways Limited	Step-Down Subsidiary Company
5	Valecha Kachchh Toll Roads Limited	Subsidiary Company
6	Valecha Realty Limited	Subsidiary Company



The Statement does not include the result of following Company:

S. No.	Name of Company	Relation
1	Aryavrat Tollways Pvt. Ltd	Associate Company

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard and
- c. give a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2023.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

Basis for Qualified Opinion:

We draw attention to the followings

- i As explained in Note No. 6 to the Consolidated Statement, Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Holding Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. The Holding Company has not made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect Corporate guarantees provided of Rs. 990.47 Crores.

Had the Holding Company made provision towards impairment of such Corporate Guarantees to VKTRL, the Net Loss of the Company would have increased by Rs 990.47 Crores.

- ii. As explained in Note No. 7 to the Consolidated Statement, Valecha LM Toll Private Limited (VLMTPL), an erstwhile stepdown subsidiary of the Holding Company is undergoing liquidation under Insolvency and Bankruptcy Code, 2016 vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai. Consequently, the assets of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL.

Further, Corporate Guarantees given by Holding Company of Rs. 261.14 Crores has been invoked by the secured financial creditors of VLMTPL against the Holding Company. However, the Holding Company has not made any provision towards such invocation of Corporate Guarantees.

Had the Holding Company made provision towards impairment of such Corporate Guarantees to VLMTPL, the Net Loss of the Company would have increased by Rs 261.14 Crores

- iii. The Consolidated financial results include goodwill arising on consolidation amounting to Rs. 1.80 Crores which has not been tested for impairment inspite of the losses and sub-optimal operations of the Group. In the absence of any further detailed information, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2023, which may arise on account of non-provision of impairment on goodwill as referred above.
- iv. As explained in Note No. 9 to the Consolidated Statement, the Holding Company has not evaluated expected credit losses for outstanding Trade Receivables of Rs. 298.97 crores which includes Rs.



99.45 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under consideration and deliberation before various authorities.

The Holding Company has also not evaluated impairment provisions for expected credit losses as required under Ind AS 109 "Financial Instruments" for loans given to related parties (other than subsidiaries, step down subsidiaries and associate company) amounting to Rs. 6.50 crores, loans given to other than related parties amounting to Rs. 26.11 crores and advances to suppliers amounting to Rs. 32.17 crores as at March 31, 2023.

In absence of any detailed information regarding the recoverability of such loans and advances, third party confirmation/reconciliations for such trade receivables and loans and advances, we are unable to comment upon the recoverability and corresponding impact of impairment on the net results for the quarter and year ended March 31, 2023.

- v. As explained in Note No. 10 to the Consolidated Statement, the Holding Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification and hence not provided for any further interest liability in relation to its outstanding debts.

The Holding Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2023.

In absence of any further detailed information, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2023, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.

- vi. As explained in Note No. 11 to the Consolidated Statement, the Holding Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of its already weak financial position, the Holding Company has not made any provision of interest on these outstanding fixed deposits.

In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the net results for the quarter and year ended March 31, 2023.

- vii. As explained in Note No. 12 to the Consolidated Statement, Other Non-Current Assets as at March 31, 2023 includes Rs. 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.

Had the Holding Company made provision towards such indirect taxes from Government Authorities, the Net Loss of the Company would have increased by Rs 31.35 Crores.

- viii. As explained in Note No. 13 to the Consolidated Statement, the Holding Company has many project sites, which have either been de-mobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter and year ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written back.

Such Project Sites comprises total assets of Rs. 84.36 crores [including Trade Receivables Rs. 70.46 crores and loans to other parties Rs. 5.54 crores referred in point iv above, balances with revenue authorities of Rs. 8.33 crores referred in point vi above] and total liabilities of Rs. 26.70 crores as at



March 31, 2023. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter and year ended March 31, 2023 had the said units been audited by us.

- ix. As explained in Note no 14 to the Consolidated Statement, the Holding Company has certain in-operative Bank accounts, which have turned dormant on account of multiple reasons such as closure of sites, changes in signatories etc. The Holding Company is in the process of obtaining the statements of such inoperative and dormant bank accounts.

In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the net results for the quarter and year ended March 31, 2023.

- x. As explained in Note no 15 to the Consolidated Statement, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the net results for the quarter and year ended March 31, 2023, the amounts whereof are presently not ascertainable.
- xi. As explained in Note No. 17 to the Consolidated Statement, the Holding Company's operations and activities were suspended vide Court Orders dated 05.03.2021 and 09.03.2021. However, to complete the ongoing existing projects being undertaken by the Company, Gopaldas Vasudev Construction Private Limited, a related party of the Holding Company carried out activities relating to the management of the vendor payments, site expenses and administrative expenses for ongoing projects ("project payables") for and on behalf of the Holding Company. During the quarter and year ended March 31, 2023, the Holding Company has transferred an aggregate sum of Rs.NIL and Rs.14.16 Crores respectively, to the said related party to arrange project relates expenses payables for and on behalf of the Holding Company. Out of the above funds, during the quarter and year ended March 31,2023, Rs. 0.31 Crores and Rs.13.38 Crores respectively, has been utilized towards the project payables and debited to the Holding Company. The Holding Company has also appropriately accounted all such project payables in its books of account.

We are unable to comment on the consequential impact if any arising out of the above events on the net results for the quarter and year ended March 31, 2023.

- xii. There are various Legal Cases filed by / against the Holding Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the net results for the quarter and year ended March 31, 2023, the amounts whereof are presently not ascertainable.
- xiii. As explained in Note No 18(a) to the Consolidated Statement, Valecha Reality Limited (VRL), (an Associate Company) has given a loan amounting to Rs. 6.51 crores to M/s SVK Arcade LLP which is long outstanding in the Books of Accounts. VRL is not recognizing and receiving any interest on such loans neither has it made any provision for the loan amount outstanding. Further, the Company VRL has received loans from Valecha Engineering Limited and Valecha Infrastructure Limited (VIL) to the tune of Rs 0.28 crores and Rs. 6.52 crores respectively. Valecha Engineering Limited has not recovered any interest in view of already weak financial position of VRL. Similarly, VIL has also not recovered any interest amount from VRL in view of already weak financial position of VRL.

The matters stated above were also subject matter of qualification in our review conclusion on the unaudited consolidated financial results for the quarter ended December 31, 2022. The matters stated



above except point (i) was also subject matter of qualification in our audit opinion on the audited consolidated financial results for the quarter and year ended March 31, 2022.

Material Uncertainty Related to Going Concern:

We draw attention to Note No. 10 & Note No. 16 to the Consolidated Statement which indicates that the Holding Company has accumulated losses and its net worth has been substantially eroded and there has been defaults in repayment of various borrowings and deposits. These conditions, along with the commencement of CIRP proceedings as set forth in Note No. 3, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, the Consolidated financial results of the Company have been prepared on a going concern basis for the reasons stated in Note No.16 to the Consolidated Statement.

We draw attention to Note no 18(b) to the Consolidated Statement in respect of Valecha Kachchh Toll Roads Limited (VKTRL) (a Subsidiary Company) wherein the other auditors had stated in their audit report that:

- VKTRL continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses for the quarter and year ended March 31, 2023 and in previous financial years. It has also continued to default in repayment of its financial obligation including interest. VKTRL has received PCOD (provisional commercial operation date) for section 1 from GSRDC on 13.05.2015 which was operational and revenue was being generated upto 23.02.2023. VKTRL was also close to final completion and commencement of toll operations for Section 2 of the Project. VKTRL has already submitted a claim of Rs.1862.03 crores on GSRDC towards delay events upto and including 31.03.2022 on 26.07.2022. GSRDC has also made a counter claim of Rs. 416.27 Crores on VKTRL and accordingly both the parties have moved to conciliation process in accordance with the provisions of the Concession Agreement. During the pendency of the Conciliation process, GSRDC has terminated the contract with VKTRL on 23.02.2023 and has taken over control of its toll operations. Further GSRDC has also invoked arbitration proceedings vide letter dated 07.03.2023 during the pendency of the conciliation process which VKTRL has strongly opposed and have asked for completion of conciliation process before invoking of arbitration clause. VKTRL is also in the process to submit an upward revised Statement of Claims for the period upto and including 23.02.2023.

On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission.

Our opinion is not modified in respect of the above matters.

Other Matters:

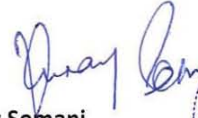
- i. We did not audit the financial results of five subsidiaries (including one step down subsidiary) included in the consolidated audited financial results whose financial statements reflect total assets of Rs. 134.44 Crores, total revenue of Rs. 4.82 crores and Rs 20.30 crores for the quarter and year ended March 31, 2023 respectively, total comprehensive loss of Rs. 387.60 crores and Rs 525.31 crores for the quarter and year ended March 31, 2023 respectively. These financial results have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated above.



- ii. We have relied on the unaudited financial information furnished by the Holding Company's management with respect to one subsidiary included in the consolidated financial results whose financial information reflect total assets of Rs. 24.25 Crores, total revenue of Rs. NIL for the quarter and year ended March 31, 2023 and total comprehensive loss of Rs. NIL for the quarter and year ended March 31, 2023. The unaudited financial information of the company has been furnished to us by the Holding Company's management based on provisional financial accounts and information available with the Holding Company and are not approved by the Management of the respective Company. Our opinion on the financial results, in so far as relates to the amount and disclosures included in respect of these subsidiary is based solely on such unaudited financial information.

Our opinion is not modified in respect of the above matters listed under "Other Matters" paragraph.

For **Bagaria and Co. LLP**
Chartered Accountants
Firm Registration No.:113447W/W-100019



Vinay Somani
Partner

Membership No. 143503
UDIN: 23143503BGWEOI9747



Place: Mumbai
Date: Aug 1, 2023

ANNEXURE I
Statement on Impact of Audit Qualifications
(For audit report with modified opinion) submitted along-with
Annual Audited Financial Results (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year Ended March 31, 2023				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sr. no.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Crores	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	93.68	93.68
	2	Total Expenditure	111.33	111.33
	3	Exceptional Items	-	1,747.72
	4	Net Profit/(loss) before OCI	(17.65)	(1,765.37)
	5	Earnings Per Share- Basic	(7.83)	(783.56)
	6	Total Assets	795.76	468.46
	7	Total Liabilities	774.04	2,194.46
	8	Net Worth	21.72	(1,726.01)
	9	Any Other Financial Item		
II. Audit Qualification (each audit qualification separately) :				
1	a.	Details of Audit Qualification :		
		i. As explained in Note No. 6 to the Standalone Statement, Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. The Company has not made any impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" nor made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect of loan of Rs. 73.46 crores and Investment made of Rs. 39.84 crores and Corporate guarantees provided of Rs. 990.47 Crores. Had the Company made provision towards impairment of such Loans, Investments and Corporate Guarantees to VKTRL, the Net Loss of the Company would have increased by Rs 1103.77 Crores.		
	b.	Type of Audit Qualification :	Qualified Opinion	
	c.	Frequency of qualification :	First Time	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :		
		The impact with respect to impairment of Corporate Guarantees of VKTRL is not ascertainable in view of likely admission of VKTRL in CIRP and then likely resolution also. The Company has not made any provision for impairment of loans, investments in VKTRL in view of ongoing CIRP proceedings of Valecha Engineering Limited, where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : NA		
2	a.	Details of Audit Qualification :		
		ii. As explained in Note No. 7 to the Standalone Statement, Valecha LM Toll Private Limited (VLMTPL), an erstwhile step down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL) is undergoing liquidation under Insolvency and Bankruptcy Code, 2016 vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai. Consequently, the assets of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. Further, Corporate Guarantees given by VEL of Rs. 261.14 Crores has been invoked by the secured financial creditors of VLMTPL against the Company. However, the Company has not made any provision towards such invocation of Corporate Guarantees. Had the Company made provision towards impairment of such Corporate Guarantees to VLMTPL, the Net Loss of the Company would have increased by Rs 261.14 Crores		
	b.	Type of Audit Qualification :	Qualified Opinion	
	c.	Frequency of qualification :	Repetitive	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :		
		The impact is not ascertainable in view of ongoing CIRP proceedings of VEL and likely approval of Resolution Plan of Resolution Applicant.		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : N A		

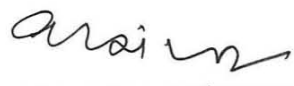


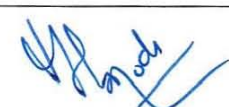




3	<p>a. Details of Audit Qualification :</p> <p>iii. As explained in Note 8 to the Standalone Statement, the Company has not evaluated impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" in relation to following Investments made, loans and advances given and Corporate Guarantees extended to its Subsidiaries and Step-Down Subsidiary whose net-worth is completely eroded on account of continued losses incurred in the past:</p> <p>-Investments aggregating to Rs.2.19 crores in its four subsidiary companies ,</p> <p>-Loans & advances aggregating to Rs.180.46 crores given to its four subsidiary companies and one step-down subsidiary company;</p> <p>- Corporate Guarantees aggregating to Rs.168.81 crores to Banks on behalf of one Subsidiary company and one Step-down Subsidiary company.</p> <p>The Company has also not done any fair valuation of its Corporate guarantees referred to in point (iii) above nor has recognized guarantee fees/commission during the period in relation to such Corporate guarantees issued without consideration as per the requirements of Ind AS 109 & Ind AS 113.</p> <p>Had the Company made provision towards impairment of such Investments, Loans and Corporate Guarantees, the Net Loss of the Company would have increased by Rs 351.46 Crores.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion</p>
	<p>c. Frequency of qualification : Repetitive</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :</p> <p>The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor : NA</p>
4	<p>a. Details of Audit Qualification :</p> <p>iv. Note No. 9 to the Standalone Statement, the Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 298.97 crores which includes Rs. 99.45 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under consideration and deliberation before various authorities.</p> <p>The Company has also not evaluated impairment provisions for expected credit losses as required under Ind AS 109 "Financial Instruments" for loans given to related parties (other than subsidiaries, step down subsidiaries and associate company) amounting to Rs. 6.50 crores, loans given to other than related parties amounting to Rs. 26.11 crores and advances to suppliers amounting to Rs. 32.17 crores as at March 31, 2023.</p> <p>In absence of any detailed information regarding the recoverability of such loans and advances, third party confirmation/reconciliations for such trade receivables and loans and advances, we are unable to comment upon the recoverability and corresponding impact of impairment on the net results for the quarter and year ended March 31, 2023.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion</p>
	<p>c. Frequency of qualification : Repetitive</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor :</p>
	<p>(i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.</p>
5	<p>a. Details of Audit Qualification :</p> <p>v. As explained in Note No. 10 to the Standalone Statement, the Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification and has not provided for any further interest liability in relation to its outstanding debts.</p> <p>The Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2023.</p> <p>In absence of any further detailed information and computation of such interest, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2023, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion</p>
	<p>c. Frequency of qualification : Repetitive</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor :</p>
	<p>(i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.</p>



6	<p>a. Details of Audit Qualification :</p> <p>vi. Note No. 11 to the Standalone Statement, the Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of its already weak financial position, the Company has not made any provision of interest on these outstanding fixed deposits.</p> <p>In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the net results for the quarter and year ended March 31, 2023.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification : Repetitive</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor :</p> <p>(i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.</p>
7	<p>a. Details of Audit Qualification :</p> <p>vii. As explained in Note No. 12 to the Standalone Statement, Other Non-Current Assets as at March 31, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.</p> <p>Had the Company made provision towards such indirect taxes from Government Authorities, the Net Loss of the Company would have increased by Rs 31.35 Crores.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification : Repetitive</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :</p> <p>The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor : NA</p>
8	<p>a. Details of Audit Qualification :</p> <p>viii. As explained in Note No. 13 to the Standalone Statement, the Company has sixteen project sites, which have either been demobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written back.</p> <p>Such Project Sites comprises total assets of Rs. 84.36 crores [including Trade Receivables Rs. 70.46 crores and loans to other parties Rs. 5.54 crores referred in point iv above, balances with revenue authorities of Rs. 8.33 crores referred in point vii above] and total liabilities of Rs. 26.70 crores as at March 31, 2023. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter and year ended March 31, 2023 had the said units been audited by us.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification : Repetitive</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor :</p> <p>(i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.</p>
9	<p>a. Details of Audit Qualification :</p> <p>ix. Note no 14 to the Standalone Statement, the Company has certain in-operative Bank accounts, which have turned dormant on account of multiple reasons such as closure of sites, changes in signatories etc. The Company is unable to obtain the statements of such inoperative and dormant bank accounts.</p> <p>In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the net results for the quarter and year ended March 31, 2023.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification : Repetitive</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor :</p> <p>(i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.</p>



10	a.	Details of Audit Qualification : x. Note no 15 to the Standalone Statement, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the net results for the quarter and year ended March 31, 2023, the amounts whereof are presently not ascertainable.	
	b.	Type of Audit Qualification :	Qualified Opinion
	c.	Frequency of qualification :	Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor :	
	(i)	The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.	
11	a.	Details of Audit Qualification : xi. Note No. 17 to the Standalone Statement, the Company operations and activities were suspended vide Court Orders dated 05.03.2021 and 09.03.2021. However, to complete the ongoing existing projects being undertaken by the Company, Gopal Das Vasudev Construction Private Limited, a related party of the Company carried out activities relating to the management of the vendor payments, site expenses and administrative expenses for ongoing projects ("project payables") for and on behalf of the Company. During the quarter and year ended March 31, 2023, the Company has transferred an aggregate sum of NIL and Rs. 14.16 crores respectively to the said related party to manage project payables for and on behalf of the Company. Out of the above funds, Rs.0.31 crores and Rs.13.38 crores respectively has been utilized towards the project payables and debited to the Company. The Company has also appropriately accounted all such project payables in its books of account. We are unable to comment on the consequential impact if any arising out of the above events on the net results for the quarter and year ended March 31, 2023.	
	b.	Type of Audit Qualification :	Qualified Opinion
	c.	Frequency of qualification :	Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor :	
	(i)	The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.	
12	a.	Details of Audit Qualification : xii. There are various Legal Cases filed by / against the Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the net results for the quarter and year ended March 31, 2023, the amounts whereof are presently not ascertainable.	
	b.	Type of Audit Qualification :	Qualified Opinion
	c.	Frequency of qualification :	Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor :	
	(i)	The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.	
		Resolution Professional Mr. Anurag Kumar Sinha (IBBI/PA-001/1P-P00427/2017-18/10750 AFA No A41/10750/02/211223/105243)	
		Chief Executive Officer Mr. Tarun Dutta	
		Chief Financial Officer Mr. Anil S. Korpe	
		Company Secretary & Legal Mr. Vijay Kumar H. Modi	
		Auditors For Bagaria & Co. LLP Chartered Accountants Firm Registration No. - 113447W/W-100019 Vinay Somani Partner Membership No. 143503	 
		Place : Mumbai	
		Date : 14 Aug 2023	



ANNEXURE I
Statement on Impact of Audit Qualifications
(For audit report with modified opinion) submitted along-with
Annual Audited Financial Results (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year Ended March 31, 2023				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sr. no.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Crores	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	113.69	113.69
	2	Total Expenditure	314.89	314.89
	3	Exceptional Items	287.39	1,739.16
	4	Net Profit/(loss) before OCI	(484.97)	(1,936.74)
	5	Earnings Per Share- Basic	(215.26)	(859.63)
	6	Total Assets	593.01	561.66
	7	Total Liabilities	2,080.01	3,500.43
	8	Net Worth	(1,487.00)	(2,938.77)
	9	Any Other Financial Item		
II.	Audit Qualification (each audit qualification separately) :			
1	a.	Details of Audit Qualification :		
		<p>i. As explained in Note No. 6 to the Consolidated Statement, Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Holding Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. The Holding Company has not made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect Corporate guarantees provided of Rs. 990.47 Crores.</p> <p>Had the Holding Company made provision towards impairment of such Corporate Guarantees to VKTRL, the Net Loss of the Company would have increased by Rs 990.47 Crores.</p>		
	b.	Type of Audit Qualification : Qualified Opinion		
	c.	Frequency of qualification : First Time		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :		
		The Company has not made any provision for impairment of loans, investment in VKTRL in view of ongoing CIRP proceedings of Valecha Engineering Limited, where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : NA		
2	a.	Details of Audit Qualification :		
		<p>ii. As explained in Note No. 7 to the Consolidated Statement, Valecha LM Toll Private Limited (VLMTP), an erstwhile stepdown subsidiary of the Holding Company is undergoing liquidation under Insolvency and Bankruptcy Code, 2016 vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai. Consequently, the assets of VLMTP has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTP.</p> <p>Further, Corporate Guarantees given by Holding Company of Rs. 261.14 Crores has been invoked by the secured financial creditors of VLMTP against the Holding Company. However, the Holding Company has not made any provision towards such invocation of Corporate Guarantees.</p> <p>Had the Holding Company made provision towards impairment of such Corporate Guarantees to VLMTP, the Net Loss of the Company would have increased by Rs 261.14 Crores</p>		
	b.	Type of Audit Qualification : Qualified Opinion		
	c.	Frequency of qualification : Repetitive		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :		
		The impact is not ascertainable in view of ongoing CIRP proceedings of VEL and likely approval of Resolution Plan of Resolution Applicant.		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : N A		



3	a.	Details of Audit Qualification :
		iii. The Consolidated financial results include goodwill arising on consolidation amounting to Rs. 1.80 Crores which has not been tested for impairment inspite of the losses and sub-optimal operations of the Group. In the absence of any further detailed information, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2023, which may arise on account of non-provision of impairment on goodwill as referred above.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : NA
4	a.	Details of Audit Qualification :
		iv. As explained in Note No. 9 to the Consolidated Statement, the Holding Company has not evaluated expected credit losses for outstanding Trade Receivables of Rs. 298.97 crores which includes Rs. 99.45 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under consideration and deliberation before various authorities. The Holding Company has also not evaluated impairment provisions for expected credit losses as required under Ind AS 109 "Financial Instruments" for loans given to related parties (other than subsidiaries, step down subsidiaries and associate company) amounting to Rs. 6.50 crores, loans given to other than related parties amounting to Rs. 26.11 crores and advances to suppliers amounting to Rs. 32.17 crores as at March 31, 2023. In absence of any detailed information regarding the recoverability of such loans and advances, third party confirmation/reconciliations for such trade receivables and loans and advances, we are unable to comment upon the recoverability and corresponding impact of impairment on the net results for the quarter and year ended March 31, 2023.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : (i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.
5	a.	Details of Audit Qualification :
		v. As explained in Note No. 10 to the Consolidated Statement, the Holding Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification and hence not provided for any further interest liability in relation to its outstanding debts. The Holding Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2023. In absence of any further detailed information, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2023, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : (i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.
6	a.	Details of Audit Qualification :
		vi. As explained in Note No. 11 to the Consolidated Statement, the Holding Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of its already weak financial position, the Holding Company has not made any provision of interest on these outstanding fixed deposits. In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the net results for the quarter and year ended
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : (i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.



7	a.	Details of Audit Qualification : vii. As explained in Note No. 12 to the Consolidated Statement, Other Non-Current Assets as at March 31, 2023 includes Rs. 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. Had the Company made provision towards such indirect taxes from Government Authorities, the Net Loss of the Company would have increased by Rs 31.35 Crores.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : NA
8	a.	Details of Audit Qualification : viii. As explained in Note No. 13 to the Consolidated Statement, the Holding Company has many project sites, which have either been de-mobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter and year ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written back . Such Project Sites comprises total assets of Rs. 84.36 crores [including Trade Receivables Rs. 70.46 crores and loans to other parties Rs. 5.54 crores referred in point iv above, balances with revenue authorities of Rs. 8.33 crores referred in point vi above] and total liabilities of Rs. 26.70 crores as at March 31, 2023. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter and year ended March 31, 2023 had the said units been audited by us.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : (i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.
9	a.	Details of Audit Qualification : ix. As explained in Note no 14 to the Consolidated Statement, the Holding Company has certain in-operative Bank accounts, which have turned dormant on account of multiple reasons such as closure of sites, changes in signatories etc. The Holding Company is in the process of obtaining the statements of such inoperative and dormant bank accounts. In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the net results for the quarter and year ended March 31, 2023.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : (i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.
10	a.	Details of Audit Qualification : x. As explained in Note no 15 to the Consolidated Statement, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the net results for the quarter and year ended March 31, 2023, the amounts whereof are presently not ascertainable.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : (i) The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.



11	a.	Details of Audit Qualification : xi. As explained in Note No. 17 to the Consolidated Statement, the Holding Company's operations and activities were suspended vide Court Orders dated 05.03.2021 and 09.03.2021. However, to complete the ongoing existing projects being undertaken by the Company, Gopal Das Vasudev Construction Private Limited, a related party of the Holding Company carried out activities relating to the management of the vendor payments, site expenses and administrative expenses for ongoing projects ("project payables") for and on behalf of the Holding Company. During the quarter and year ended March 31, 2023, the Holding Company has transferred an aggregate sum of Rs. NIL and Rs.14.16 Crores respectively, to the said related party to arrange project related expenses payables for and on behalf of the Holding Company. Out of the above funds, during the quarter and year ended March 31, 2023, Rs. 0.31 Crores and Rs.13.38 Crores respectively, has been utilized towards the project payables and debited to the Holding Company. The Holding Company has also appropriately accounted all such project payables in its books of account. We are unable to comment on the consequential impact if any arising out of the above events on the net results for the quarter and year ended March 31, 2023.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i)	The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.
12	a.	Details of Audit Qualification : xii. There are various Legal Cases filed by / against the Holding Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the net results for the quarter and year ended March 31, 2023, the amounts whereof are presently not ascertainable.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i)	The amount is not ascertainable in view of ongoing CIRP proceedings where Resolution Plans have already been received from Resolution Applicants and one of the Resolution Plan likely to be approved and implemented.
13	a.	Details of Audit Qualification : xiii. As explained in Note No 18(a) to the Consolidated Statement, Valecha Reality Limited (VRL), (an Associate Company) has given a loan amounting to Rs. 6.51 crores to M/s SVK Arcade LLP which is long outstanding in the Books of Accounts. VRL is not recognizing and receiving any interest on such loans neither has it made any provision for the loan amount outstanding. Further, the Company VRL has received loans from Valecha Engineering Limited and Valecha Infrastructure Limited (VIL) to the tune of Rs 0.28 crores and Rs. 6.52 crores respectively. Valecha Engineering Limited has not recovered any interest in view of already weak financial position of VRL. Similarly, VIL has also not recovered any interest amount from VRL in view of already weak financial position of VRL.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of qualification : Repetitive
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i)	The Holding Company has not recovered any interest in view of already weak financial position of VRL. Similarly, VIL has also not recovered any interest amount from VRL in view of already weak financial position of VRL.
		Resolution Professional Mr. Anurag Kumar Sinha (IBBI/PA-001/1P-P00427/2017-18/10750 AFA No A41/10750/02/211223/105243)
		Chief Executive Officer Mr. Tarun Dutta
		Chief Financial Officer Mr. Anil S. Korpe
		Company Secretary & Legal Mr. Vijay Kumar H. Modi
		Auditors For Bagaria & Co. LLP Chartered Accountants Firm Registration No. - 113447W/W-100019 Vinay Somani Partner Membership No. 143503 Place : Mumbai Date : 1 April 2023

