

VALECHA ENGINEERING LIMITED

(AN ISO 9001 - 2015 COMPANY)



Ref: VEL/2024-25

19.11.2024

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 VALECHAENG
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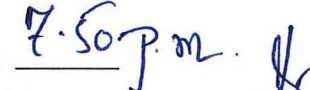
Dear Sir/Madam,

SUB: OUTCOME OF ADJOURNED BOARD MEETING HELD ON 19.11.2024

REF: OUR LETTER NO. VEL/24-25 DATED 04.11.2024

OUR LETTER DATED 18.11.2024

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 THE 19.11.2024** has inter-alia considered and approved/taken on record the Unaudited Financial Results (Standalone and Consolidated) of the Company for the **1st Quarter ended 30th June, 2024** along with the Limited Review Report of the Auditors of the Company.

The meeting commenced at **03.30 PM** the concluded at 7.50 p.m. 

We request you to kindly take the above on record.

Thanking You,

Yours Faithfully,

FOR VALECHA ENGINEERING LIMITED



(VIJAYKUMAR MODI)

COMPANY SECRETARY & LEGAL

▶ Regd. Office: Valecha Chambers, 4th floor, Plot No. B-6, New Link Road, Andheri (W), Mumbai 400053, India.

Tel.: + 91-22-42633200 Email: ho@valecha.in Website: www.valecha.in

CIN - L74210MH1977PLC019535

VALECHA ENGINEERING LIMITED					
VALECHA					
(An ISO 9001-2015 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					
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2024					
(₹ In Crores) Except EPS					
Sr. No.	PARTICULARS	For the quarter ended on			For the year ended on
		30.06.2024 (Unaudited)	31.03.2024 (Audited)	30.06.2023 (Unaudited)	31.03.2024 (Audited)
1	Income				
	(a) Revenue from Operations	5.85	15.93	12.52	57.01
	(b) Other Income	0.41	1.03	0.21	1.61
	Total Income	6.26	16.96	12.73	58.62
2	Expenses				
	a. Construction Expenses	5.14	14.39	12.77	53.05
	b. Changes in Inventories	-	-	-	0.01
	c. Employees Benefits Expense	0.82	1.22	0.84	3.67
	d. Finance costs	-	0.01	0.07	0.19
	e. Depreciation and amortization Expenses	0.09	0.13	0.13	0.50
	f. Other Expenses	0.64	0.77	0.67	2.70
	Total Expenses	6.69	16.52	14.48	60.12
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	(0.43)	0.44	(1.75)	(1.50)
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-
5	Profit / (Loss) before Exceptional Items and tax (3+4)	(0.43)	0.44	(1.75)	(1.50)
6	Exceptional Items	-	-	-	-
7	Profit / (Loss) before tax (5-6)	(0.43)	0.44	(1.75)	(1.50)
8	Tax Expense				
	(a) Current Tax (Including earlier year taxation)	-	-	-	-
	(b) Deferred tax	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	(0.43)	0.44	(1.75)	(1.50)
10	Other Comprehensive Income (OCI)				
	(a) i. Items that will not be reclassified to profit or loss	-	0.09	(0.01)	0.06
	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	-	-	-	-
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income	-	0.09	(0.01)	0.06
11	Total Comprehensive Income for the period (9+10)	(0.43)	0.53	(1.76)	(1.44)
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
16	Other Equity Excluding Revaluation Reserves				(2.25)
17	Earning Per Share (of ₹ 10/- each) (not annualised):				
	(i) Basic earnings (loss) per share	(0.19)	0.20	(0.78)	(0.67)
	(ii) Diluted earnings (loss) per share	(0.19)	0.20	(0.78)	(0.67)
See accompanying note to the Financial Results					



For VALECHA ENGINEERING LIMITED
Shashikant Bhogde
SHASHIKANT GANGADHAR BHOGDE
 DIRECTOR
 DIN : 05345105



VALECHA ENGINEERING LIMITED					
(An ISO 9001-2015 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					
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2024					
(₹ in Crores) Except EPS					
Sr. No.	PARTICULARS	Consolidated			
		For the quarter ended on			For the year ended on
		30.06.2024 (Unaudited)	31.03.2024 (Audited)	30.06.2023 (Unaudited)	31.03.2024 (Audited)
1	Income				
	(a) Revenue from Operations	9.30	19.42	15.92	70.56
	(b) Other Income	0.44	1.05	0.23	1.63
	Total Income	9.74	20.47	16.15	72.19
2	Expenses				
	a. Construction Expenses	5.14	14.37	12.77	53.04
	b. Changes in inventories	-	-	-	0.01
	c. Employees Benefits Expense	0.96	1.35	1.00	4.24
	d. Finance costs	52.99	51.92	48.55	198.69
	e. Depreciation and amortization Expenses	1.83	1.88	1.87	7.48
	f. Other Expenses	2.25	1.22	1.16	6.43
	Total Expenses	63.17	70.74	65.35	269.89
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	(53.43)	(50.27)	(49.20)	(197.70)
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-
5	Profit / (Loss) before Exceptional Items and tax (3+4)	(53.43)	(50.27)	(49.20)	(197.70)
6	Exceptional Items	-	-	-	-
7	Profit / (Loss) before tax (5-6)	(53.43)	(50.27)	(49.20)	(197.70)
8	Tax Expense				
	(a) Current Tax (Including earlier year taxation)	-	-	-	-
	(b) Deferred tax	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	(53.43)	(50.27)	(49.20)	(197.70)
10	Other Comprehensive Income (OCI)				
	(a) i. Items that will not be reclassified to profit or loss	-	0.09	(0.01)	0.06
	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	-	-	-	-
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income	-	0.09	(0.01)	0.06
11	Total Comprehensive Income for the period (9+10)	(53.43)	(50.18)	(49.21)	(197.64)
12	Net Profit/(Loss) attributable to :				
	Shareholders of the Company	(32.42)	(30.07)	(30.61)	(120.22)
	Non-Controlling interest	(21.01)	(20.20)	(18.58)	(77.48)
13	Other Comprehensive Income attributable to :				
	Shareholders of the Company	-	0.09	(0.01)	0.06
	Non-Controlling interest	-	-	-	-
14	Total Comprehensive Income attributable to :				
	Shareholders of the Company	(32.42)	(29.98)	(30.62)	(120.16)
	Non-Controlling interest	(21.01)	(20.20)	(18.58)	(77.48)
15	Paid-up Equity Share Capital (Face Value ₹ 10/-)	22.53	22.53	22.53	22.53
16	Other Equity Excluding Revaluation Reserves	-	-	-	(1,707.17)
17	Earning Per Share (of ₹ 10/- each) (not annualised):				
	(i) Basic earnings (loss) per share	(23.72)	(22.31)	(21.84)	(87.75)
	(ii) Diluted earnings (loss) per share	(23.72)	(22.31)	(21.84)	(87.75)
	See accompanying note to the Financial Results				



For VALECHA ENGINEERING LIMITED
Shashikant Bhoge
 SHASHIKANT GANGADHAR BHOGHE
 DIRECTOR
 DIN : 05345105



Notes to the unaudited Standalone and Consolidated Statements of Financial Results for the quarter ended June 30, 2024:

1. The above Unaudited Financial Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Holding Company at the meeting held on 19th November, 2024. The Statutory Auditors have carried out the limited Review of the Unaudited Financial Results for the quarter ended June 30, 2024 vide their report dated 19th November, 2024. These unaudited financial results have been drawn from the Unaudited Financial Statements and books of accounts and other relevant information shared by the Resolution Professional with the Board of Directors and subsequent transactions entered into by the Company as at and for the period ended June 30, 2024.
2. This result has been prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.
3. Valecha Engineering Limited ("VEL or the Company or the Holding Company") is engaged in "Construction Activity" and there are no other reportable segments under Ind AS 108 "Operating Segments".
4. Hon'ble NCLT, Mumbai Bench, 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) and appointed Mr. Anurag Kumar Sinha, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IP-P00427/2017-18/10750] as Interim Resolution Professional (Later on confirmed as Resolution Professional (RP) by CoC), to carry out the functions as mentioned under Insolvency and Bankruptcy Code, 2016.

Further, the RP filed an application bearing IA No. 5819(MB) of 2023 in the above Company Petition, under Section 30(6) of the Code before the Hon'ble NCLT for its consideration and approval of the Resolution Plan submitted by the consortium of J. K. Solutions Pvt Ltd and One Media Facility Management (Resolution Applicant) under Section 31 of IBC, 2016. The Hon'ble NCLT, Mumbai Bench, vide its order dated 25.06.2024 approved the Resolution Plan submitted by Resolution Applicant, as a result of which the CIRP ended on 25.06.2024.

Accordingly, the RP has prepared and submitted the Unaudited Financial Statements as at and for the period ended June 25, 2024 dated October 23, 2024 to the new Board / Management which are also being uploaded alongwith the unaudited financial results for the quarter ending June 30, 2024.

Subsequent to approval of Resolution plan, Successful Resolution Applicant (SRA) has agreed to pay Rs.69.52 Crores towards payments to financial creditors and operational creditors and Rs.10.00 Crores towards capital expenditure and working capital. In addition to Rs.69.52 Crores SRA paid RS.0.05 Crores towards unexpected contingent liabilities.(Since paid Rs.69.52 Crores before the due date)

5. During the quarter ended June 30, 2024, the Company has accounted for derecognition of financial liabilities amounting to Rs.697.03 Crores being liability towards financial creditors and operational creditors to the extent of amounts over and above the final settlement amount payable of Rs.69.52 Crores (Rs. 68.02 Crores payable to Financial Creditors, Rs.0.50 Crores payable to Operational Creditors, Rs. 1.00 Crore towards CIRP Costs. In addition to above Rs. 69.52 Crores, Rs.5 lakhs is kept as reserve for unexpected contingent liability) as mentioned in the Resolution Plan approved by Hon'ble NCLT. The derecognition / write back of the above referred liabilities over and above the settlement amount approved, have been accounted under Capital Reserve, as per the approved Resolution Plan (page no.88, Para no.3.9.9 -2.).



Shashikant Blye

A circular purple stamp for Valecha Engineering Ltd, Mumbai. The text around the perimeter reads "VALECHA ENGINEERING LTD" at the top and "MUMBAI" at the bottom. There are small stars on either side of the word "MUMBAI".

6. Pursuant to approval of Resolution Plan, the existing paid up share capital to the extent of Promoters Group and their related parties group holding stood fully written down (capital reduction). The Successful Resolution Applicant shall infuse Rs.21.40 Crores towards the issue of equity shares by the Company and hold the overall 95% of the shareholding. Balance 5% of the shares to be issued to the existing shareholders other than the Promoters Group and their related parties, against their existing holdings of 68.91%. (Since infused Rs.21.40 Crores before the due date).
7. Unpaid liabilities on account of expenses accrued during CIRP period to be paid from fund available for CoC and EMD refund etc. aggregating to Rs.3.91 Crores have been reduced from Cash and Cash Equivalent.
8. Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench has passed an order dated 09th October 2023 for initiation of the Corporate Insolvency Resolution Process ("CIRP") in respect of Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Company, under the provisions of the Insolvency and Bankruptcy Code, 2016 and appointed Mr. Avil Jerome Menezes as Interim Resolution Professional ("IRP") (later on confirmed as Resolution Professional(RP) by Committee of Creditors (CoC)) to carry out the functions as mentioned under I & B Code for initiation of CIRP.

The Company continues to carry its Investments of Rs. 39.84 crores in VKTRL and loan given of Rs. 76.36 crores to VKTRL at its book value aggregating to total asset value of Rs. 116.20 crores in view of likely resolution of CIRP of VKTRL and pending realisability assessment of entire Assets of the Company.

9. The Company continues to carry its Investments of Rs. 2.19 Crores in four subsidiary companies, loans and advances given of Rs.180.71 crores to four subsidiary companies and one step-down subsidiary company at their book values pending realisability assessment of the Assets of such Companies. Details of which are as follows:

Name of Company	Relation	Investment (Rs. Crores)	Loans & Advances (Rs. Crores)
Valecha Infrastructure Limited	Subsidiary	0.05	152.36
Professional Realtors Private Limited	Subsidiary	1.80	0.24
Valecha International FZE	Subsidiary	0.31	23.57
Valecha Reality Limited	Subsidiary	0.02	0.29
Valecha Badwani Sendhwa Toll Limited	Step-down Subsidiary	-	4.25
Total		2.19	180.71

The Company also continues to carry its Trade Receivables of Rs. 302.89 Crores, 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. 26.09 crores and advances to suppliers amounting to Rs.33.28 crores as at June 30, 2024 crores at their book values pending realisability assessment of the Assets of the Company.

10. Other Non-Current Assets as at June 30, 2024 includes Rs. 31.86 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments since long.



Shashikant Bhu



11. The Company had certain project sites in March 2017, which have either been de-mobilized or completed or otherwise shut / non-operational. The Company could not obtain details of transactions if any, through Bank accounts previously operated for such project sites. There have been no operations in such project sites during the period ended June 30, 2024. There are total assets of Rs. 84.36 crores [including Trade Receivables of 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 10 above] as at June 30, 2024.
12. The Company has certain Loans & Advances, Trade Receivables and Other Current Assets, which are subject to confirmations, reconciliations, and adjustments as may be deemed necessary upon realisability assessment of the Assets of the Company.
13. During the quarter, the Company has recognised the claims of the lenders of two subsidiary companies towards corporate guarantees given by the Company as "loans given to subsidiary companies", to the extent of claim amounts approved by CoC for Rs.3.16 Crores.
14. As per the NCLT Order dated 25.06.2024 para 33.3, On the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of the Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim which is not a part of the Resolution Plan. Accordingly, all the liabilities including contingent liabilities and commitments, claims and obligations existing as on and pertaining to the period upto 25.06.2024 whether recorded or not in the books of the accounts of the Company shall stand extinguished and accordingly no outflow of economic benefits/ loss is expected in respect thereof except a total contingency amount of Rs. 5 lakhs provided in the Resolution Plan.

15. **Specific notes related with Subsidiary Companies:**

a) **Valecha L M Toll Private Limited (VLMTPL)**

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. As informed by Liquidator of VLMTPL, all the assets of VLMTPL have been auctioned except Income Tax receivable and security deposit of sales tax and the proceeds have been distributed amongst the secured financial creditors of VLMTPL

b) **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.



c) Valecha Kachchh Toll Roads Limited (VKTRL)

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

Mr. Avil Jerome Menezes, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IPP00017/2016-17/10041] has been appointed as Interim Resolution Professional (IRP)(later on confirmed as RP by Committee of Creditors (CoC)), to carry out the functions as mentioned under Insolvency & Bankruptcy Code, 2016 for running the CIRP of the Company. Further Resolution plan for revival of the company has been submitted by Resolution Applicant in reply to the invitation for expression of interest dated 05.12.2023 filed by the RP, the resolution plan submitted is under review and yet to be approved by the CoC as on the date of the audit report.

In view of the fact that CIRP has been initiated against the Company and resolution plan submitted is under review which is yet to be approved by CoC and moreover, as per provisions of IBC, 2016, the company is to be kept as a going concern, and hence unaudited financial results are prepared assuming that it will continue as a going concern.

Also, it has continued to default in repayment of its financial obligation including interest. VKTRL has 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 the Company has strongly opposed and have asked for completion of conciliation process before invoking of arbitration clause. The Company is also in the process to submit an upward revised Statement of Claims for the period upto and including 23.02.2023.

d) Valecha Infrastructure Limited (VIL)

The accumulated losses incurred in the current quarter as well as in the past years have resulted in erosion of Company's Net worth. Also there has been default in repayment of bank borrowing. The Company continues to carry its investments and loans and advances at its book value pending realisability assessment of entire assets of the Company.

1. Consolidated results for the quarter ended June 30, 2024 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.

2. 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

Shashikant Bhoge
SHASHIKANT GANGADHAR BHOGE
DIRECTOR
DIN : 05345105



DATE: 19.11.2024

PLACE: MUMBAI



Limited Review Report

**To The Board of Directors of
Valecha Engineering Limited**

1. The Hon'ble NCLT, Mumbai Bench, 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) and appointed Mr. Anurag Kumar Sinha, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IP-P00427/2017-18/10750] as Interim Resolution Professional (Later on confirmed as Resolution Professional (RP) by CoC), to carry out the functions as mentioned under Insolvency and Bankruptcy Code, 2016.

Further, the RP filed an application bearing IA No. 5819(MB) of 2023 in the above Company Petition, under Section 30(6) of the Code before the Hon'ble NCLT for its consideration and approval of the Resolution Plan submitted by the consortium of J. K. Solutions Pvt Ltd and One Media Facility Management (Resolution Applicant) under Section 31 of IBC, 2016. The Hon'ble NCLT, Mumbai Bench, vide its order dated 25.06.2024 approved the Resolution Plan submitted by Resolution Applicant, as a result of which the CIRP ended on 25.06.2024.

2. We have reviewed the unaudited standalone financial results of **Valecha Engineering Limited** ('the Company') for the quarter ended June 30, 2024 which are included in the accompanying 'Unaudited Standalone Statement of Financial Results for the quarter ended June 30, 2024 together with the notes thereon (hereinafter referred to as the "Standalone Statement"). The Standalone Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015").
3. This Standalone Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), 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. Our responsibility is to express a conclusion on the Standalone Statement based on our review.
4. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Standalone Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
5. i. As explained in Note 5 to the Standalone Statement, the Company has accounted for de-recognition of financial liabilities amounting to Rs 697.03 Crores being liability towards financial creditors and



operational creditors to the extent of amounts over and above the final settlement amount payable of Rs. 69.52 Crores as mentioned in the Resolution Plan under Capital Reserves. This Accounting treatment is not in accordance with Ind AS 109 "Financial Instruments" with respect to de-recognition of financial liabilities and general accounting practices consistently followed by the Company with respect to writing back of liabilities through Statement of Profit & Loss. Had the Company accounted the de-recognition of such financial liabilities through Statement of Profit and Loss, the Profit for the quarter ended June 30, 2024 would have increased by Rs. 697.03 Crores.

- ii. As explained in Note No. 8 to the Standalone Statement, Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench has passed an order dated 09th October 2023 for initiation of the Corporate Insolvency Resolution Process ("CIRP") in respect of Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Company, under the provisions of the Insolvency and Bankruptcy Code, 2016 and appointed Mr. Avil Jerome Menezes as Interim Resolution Professional ("IRP") (later on confirmed as Resolution Professional (RP) by Committee of Creditors (CoC)) to carry out the functions as mentioned under I & B Code for initiation of CIRP.

The Company has 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" for its Investment in VKTRL of Rs. 39.84 crores and loan given of Rs. 76.36 crores to VKTRL, in view of likely resolution in CIRP of the Company.

Had the Company made provision towards impairment of such outstanding Loans and Investments in VKTRL, the Net Loss of the Company would have increased by Rs. 116.20 Crores.

- iii. As explained in Note 9 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 Investments aggregating to Rs. 2.19 crores in four subsidiary companies, Loans & advances aggregating to Rs.180.71 crores given to its four subsidiary companies and one step-down subsidiary company.

Had the Company made provision towards impairment of such Investments and Loans, the Net Loss of the Company would have increased by Rs. 182.90 Crores.

- iv. As explained in Note No. 9 to the Standalone Statement, the Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 302.89 crores.

The Company has 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. 26.09 crores and advances to suppliers amounting to Rs. 33.28 crores as at June 30, 2024.

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 ended June 30, 2024.

Had the Company made provision towards such long outstanding trade receivables and loans to related and other parties and advances to suppliers, the Net Loss of the Company would have increased by Rs 368.76 Crores.



- v. As explained in Note No. 10 to the Standalone Statement, Other Non-Current Assets as at June 30, 2024 includes Rs 31.86 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. However, in view of unavailability of information on status of such assessments or status of recoverability, we are unable to comment upon the resultant impact, if any on the net results for the quarter ended June 30, 2024.

Had the Company made provision towards such indirect taxes from Government Authorities, the Net Loss of the Company would have increased by Rs 31.86 Crores.

- vi. As explained in Note No. 11 to the Standalone Statement, the Company has certain 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 June 30, 2024. 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 v above] as at June 30, 2024. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on the net results for the quarter ended June 30, 2024 had the said units been reviewed by us.
- vii. As explained in Note no 12 to the Standalone Statement, the accounts of certain Loans & Advances given, Trade Receivables, Other Current Assets, are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on net results for the quarter ended June 30, 2024 the amounts whereof are presently not ascertainable.

The matters stated above except point (i) were also subject matter of qualification in our review conclusion on the unaudited standalone financial results for the quarter ended June 30, 2023. The matters stated above except point (i) were also subject matter of qualification in our review conclusion on the audited standalone financial results for the quarter ended March 31, 2024. The matters stated above except point (i) were also subject matter of qualification in our audit opinion on the audited standalone financial statement for the year ended March 31, 2024.

Based on our review conducted above, except for the effects/possible effects of the matters described in paragraph 5, nothing has come to our attention that causes us to believe that the accompanying Standalone Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the Ind AS 34 prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

As explained in Note no 14 to the Standalone Statement, as per the NCLT Order dated 25.06.2024 para 33.3, On the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of the Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim which is not a part of the Resolution Plan. Accordingly, all the liabilities including contingent liabilities and commitments, claims and obligations existing as on and pertaining to the period upto 25.06.2024 whether recorded or not in the books of



the accounts of the Company shall stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof except a total contingency amount of Rs. 5 lakhs provided in the Resolution Plan.

Our Opinion is not modified in respect of this matter.

For **Bagaria & Co. LLP**
Chartered Accountants
Firm registration No. – 113447W/W-100019



Vinay Somani

Partner

Membership No. 143503

UDIN: 24143503BKDZWF9990

Place: Mumbai

Date: November 19, 2024

LIMITED REVIEW REPORT

To The Resolution Professional(RP)
Valecha Engineering Limited

1. The Hon'ble NCLT, Mumbai Bench, 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) and appointed Mr. Anurag Kumar Sinha, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IP-P00427/2017-18/10750] as Interim Resolution Professional (Later on confirmed as Resolution Professional (RP) by CoC), to carry out the functions as mentioned under Insolvency and Bankruptcy Code, 2016.

Further, the RP filed an application bearing IA No. 5819(MB) of 2023 in the above Company Petition, under Section 30(6) of the Code before the Hon'ble NCLT for its consideration and approval of the Resolution Plan submitted by the consortium of J. K. Solutions Pvt Ltd and One Media Facility Management (Resolution Applicant) under Section 31 of IBC, 2016. The Hon'ble NCLT, Mumbai Bench, vide its order dated 25.06.2024 approved the Resolution Plan submitted by Resolution Applicant, as a result of which the CIRP ended on 25.06.2024.

2. We have reviewed the unaudited 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 quarter ended June 30, 2024 which are included in the accompanying 'Unaudited Consolidated Statement of Financial Results for the quarter ended June 30, 2024 together with the notes thereon (herein after referred to as the "Consolidated Statement"). The Consolidated Statement is being submitted by the Holding Company pursuant to the requirements of Regulations 33 of the SEBI (Listing, Obligations and Disclosure requirements) Regulations, 2015 ('Listing regulations'), which has been initialed by us for identification purposes.
3. This Consolidated Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (IND AS "34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Statement based on our review.
4. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. Accordingly, we do not express an audit opinion.



5. 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.
6. The Statement 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

7. i. As explained in Note 5 to the Consolidated Statement, the Holding Company has accounted for de-recognition of financial liabilities amounting to Rs 697.03 Crores being liability towards financial creditors and operational creditors to the extent of amounts over and above the final settlement amount payable of Rs. 69.52 Crores as mentioned in the Resolution Plan under Capital Reserves. This Accounting treatment is not in accordance with Ind AS 109 "Financial Instruments" with respect to de-recognition of financial liabilities and general accounting practices consistently followed by the Holding Company with respect to writing back of liabilities through Statement of Profit & Loss. Had the Holding Company accounted the de-recognition of such financial liabilities through Statement of Profit and Loss, the Profit for the quarter ended June 30, 2024 would have increased by Rs. 697.03 Crores.
- ii. As explained in Note No. 15(a) to the Consolidated Statement, Valecha LM Toll Private Limited (VLMTPL), an erstwhile stepdown subsidiary of the Holding Company is undergoing liquidation under IBC vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai. Consequently, the assets of VLMTPL has been auctioned except Income Tax receivable and security deposit of sales tax and the proceeds have been distributed amongst the secured financial creditors of VLMTPL.
- 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 ended June 30, 2024 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 long outstanding Trade Receivables of Rs. 302.89 crores.

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. 26.09 crores and advances to suppliers amounting to Rs 33.28 crores as at June 30, 2024.

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 ended June 30, 2024.



- v. As explained in Note No. 10 to the Consolidated Statement, Other Non-Current Assets as at June 30, 2024 includes Rs 31.86 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. However, in view of unavailability of information on status of such assessments or status of recoverability, we are unable to comment upon the resultant impact, if any on net results for the quarter ended June 30, 2024.

Had the Holding Company made provision towards such indirect taxes from Government Authorities, the Net Loss of the Holding Company would have increased by Rs 31.86 Crores.

- vi. As explained in Note No. 11 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 ended June 30, 2024. Movement in accounts of such project sites, if any, is on account of balances being written off and/or written back and payments and/or receipts being identified and/or made by the Head Office division in relation to assets and liabilities of such project sites.

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 v above] and total liabilities of Rs. 26.70 crores as at June 30, 2024. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter ended June 30, 2024 had the said units been reviewed by us.

- vii. As explained in Note no 12 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 ended June 30, 2024 the amounts whereof are presently not ascertainable.
- viii. As explained in Note No 15(b) 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 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 except point (i) were also subject matter of qualification in our review conclusion on the unaudited Consolidated financial results for the quarter ended June 30, 2023. The matters stated above except point (i) were also subject matter of qualification in our review conclusion on the audited Consolidated financial results for the quarter ended March 31, 2024. The matters stated above except point (i) were also subject matter of qualification in our audit opinion on the audited Consolidated financial statement for the year ended March 31, 2024.

8. Material Uncertainty Related to Going Concern:

We draw attention to Note no 15(c) to the Statement in respect of Valecha Kachchh Toll Roads Limited (VKTRL) (a Subsidiary Company) wherein the other auditors had stated in their review report that:



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

Mr. Avil Jerome Menezes, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IPP00017/2016-17/10041] has been appointed as Interim Resolution Professional (IRP)(later on confirmed as RP by Committee of Creditors (CoC)), to carry out the functions as mentioned under Insolvency & Bankruptcy Code, 2016 for running the CIRP of the Company. Further Resolution plan for revival of the company has been submitted by Resolution Applicant in reply to the invitation for expression of interest dated 05.12.2023 filed by the RP, the resolution plan submitted is under review and yet to be approved by the CoC as on the date of the audit report.

In view of the fact that CIRP has been initiated against the Company and resolution plan submitted is under review which is yet to be approved by CoC and moreover, as per provisions of IBC, 2016, the company is to be kept as a going concern, and hence unaudited financial results are prepared assuming that it will continue as a going concern.

Also, it has continued defaulted in repayment of its financial obligation including interest and GSRDC had terminated the contract with the Company on 23.02.2023 and had taken over control of its toll operations. Further GSRDC has also invoked arbitration proceedings vide letter dated 07.03.2023 during the pendency of the conciliation process which the Company has strongly opposed and have asked for completion of conciliation process before invoking of arbitration clause. The Company is also in the process to submit an upward revised Statement of Claims for the period upto and including 23.02.2023.

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

9. Other Matters:

- As explained in Note no 14 to the Consolidated Statement, as per the NCLT Order dated 25.06.2024 para 33.3, On the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of the Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim which is not a part of the Resolution Plan. Accordingly, all the liabilities including contingent liabilities and commitments, claims and obligations existing as on and pertaining to the period upto 25.06.2024 whether recorded or not in the books of the accounts of the Company shall stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof except a total contingency amount of Rs. 5 lakhs provided in the Resolution Plan.
- We did not review the financial results of three subsidiaries (including one step down subsidiary) included in the consolidated unaudited financial results whose financial statements reflect total assets of Rs. 122.07 Crores, total revenue of Rs. 3.45 crores and total comprehensive loss of Rs. 53.00 crores for the quarter ended June 30, 2024. These financial results have been reviewed 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.



- iii. We did not review the financial information of two subsidiary company included in the consolidated unaudited financial results whose financial information reflect total assets of Rs. 6.54 Crores, total revenue of Rs. NIL for the quarter ended March 31, 2024 and total comprehensive loss of Rs. NIL for the quarter ended June 31, 2024. This financial information has not been reviewed by their auditor but have been certified by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said subsidiaries, is based solely on such Management certified financial information and the procedures performed by us as stated.
- iv. 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 ended June 30, 2024 and total comprehensive loss of Rs. NIL for the quarter ended June 30, 2024. The unaudited financial information of the company have 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 conclusion 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: 24143503BKDZWG1013

Place: Mumbai
Date: November 19, 2024