

Under Insolvency Resolution Process

Ref: VEL/2023-24

30.05.2024

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 VALECHENG
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Dear Sir/Madam,

SUB: OUTCOME OF BOARD MEETING HELD ON THURSDAY, 30.05.2024

REF: OUR LETTER NO. VEL/2023-24

Date: 28.03.2024

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 meeting held today i.e. **THURSDAY, 30.05.2024** 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, 2024**.
2. Audited Consolidated Financial Results of the Company for the Quarter and Twelve Months ended **31st March, 2024**.
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, 2024**.

The meeting commenced at **03.30 PM** the concluded at 4.15 **PM**.

We request you to kindly take the above on record.

**THANKING YOU,
YOURS FAITHFULLY,
FOR VALECHA ENGINEERING LIMITED
UNDER INSOLVENCY RESOLUTION PROCESS**



**(VIJAYKUMAR MODI)
COMPANY SECRETARY & LEGAL**

VALECHA ENGINEERING LIMITED



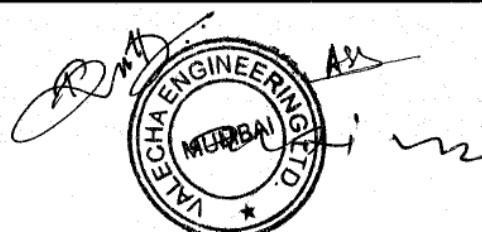
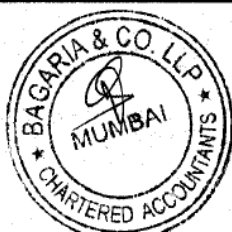
(An ISO 9001-2015 Company) CIN : L74210MH1977PLC019535

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, 2024

(₹ in Crores) Except EPS

Sr. No.	PARTICULARS	Standalone				
		For the quarter ended on			For the year ended on	
		31.03.2024 (Audited)	31.12.2023 (Unaudited)	31.03.2023 (Audited)	31.03.2024 (Audited)	31.03.2023 (Audited)
1	Income					
	(a) Revenue from Operations	15.93	8.12	10.95	57.01	90.07
	(b) Other Income	1.03	0.22	1.64	1.61	3.61
	Total Income	16.96	8.34	12.59	58.62	93.68
2	Expenses					
	a. Construction Expenses	14.39	7.11	25.04	53.05	101.27
	b. Changes in inventories	-	-	(0.01)	0.01	0.02
	c. Employees Benefits Expense	1.22	1.00	1.15	3.67	5.41
	d. Finance costs	0.01	-	0.08	0.19	0.19
	e. Depreciation and amortization Expenses	0.13	0.13	0.14	0.50	0.54
	f. Other Expenses	0.77	0.58	1.10	2.70	3.90
	Total Expenses	16.52	8.82	27.50	60.12	111.33
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	0.44	(0.48)	(14.91)	(1.50)	(17.65)
4	Share of net profit/(loss) of an associate/a joint venture	-	-	-	-	-
5	Profit / (Loss) before Exceptional Items and tax (3+4)	0.44	(0.48)	(14.91)	(1.50)	(17.65)
6	Exceptional Items	-	-	-	-	-
7	Profit / (Loss) before tax (5-6)	0.44	(0.48)	(14.91)	(1.50)	(17.65)
8	Tax Expense					
	(a) Current Tax (Including earlier year taxation)	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	0.44	(0.48)	(14.91)	(1.50)	(17.65)
10	Other Comprehensive Income (OCI)					
	(a) i. Items that will not be reclassified to profit or loss	0.09	(0.01)	0.02	0.06	(0.01)
	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)	-	-
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income	0.09	(0.01)	(2.27)	0.06	(0.01)
11	Total Comprehensive Income for the period (9+10)	0.53	(0.49)	(17.18)	(1.44)	(17.66)
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				(2.25)	(0.81)
17	Earning Per Share (of ₹ 10/- each) (not annualised):					
	(i) Basic earnings (loss) per share	0.20	(0.21)	(6.62)	(0.67)	(7.83)
	(ii) Diluted earnings (loss) per share	0.20	(0.21)	(6.62)	(0.67)	(7.83)
	See accompanying note to the Financial Results					



VALECHA ENGINEERING LIMITED



(An ISO 9001-2008 Company) CIN : L74210MH1977PLC019535

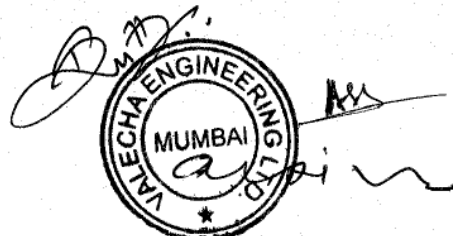
Regd. Office : Valecha Chambers, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.

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

STANDALONE BALANCE SHEET

(₹ in Crores)

Particulars	STANDALONE	
	As at 31st March 2024	As at 31st March 2023
	(Audited)	(Audited)
ASSETS		
Non Current Assets		
(a) Property, Plant & Equipment	1.96	2.31
(b) Right of use assets	0.00	0.11
(c) Investment Property	1.58	1.62
(d) Financial Assets		
(i) Investments	42.07	42.07
(ii) Other Financial Assets	88.70	80.19
(e) Other Non-Current Assets	37.75	36.99
Total Non Current Assets	172.06	163.29
Current Assets		
(a) Inventories	-	0.01
(b) Financial Assets		
(i) Trade Receivables	303.09	298.97
(ii) Cash & Cash Equivalents	6.90	9.08
(iii) Bank Balances other than (iii) above	0.35	4.25
(iv) Loans	286.51	286.53
(v) Other Financial Assets	7.48	6.36
(c) Other Current Assets	25.11	27.27
Total Current Assets	629.44	632.47
Total Assets	801.50	795.76
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	22.53	22.53
(b) Other Equity	(2.25)	(0.81)
Equity Attributable to Shareholders of the Company	20.28	21.72
Non-Controlling Interest	-	-
Total Equity	20.28	21.72
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	30.78	30.78
(ii) Other Financial Liabilities	86.87	75.90
(b) Provisions	0.61	0.41
Total Non Current Liabilities	118.26	107.09
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	467.53	467.53
(ii) Trade Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	75.16	75.67
(iii) Other Financial Liabilities	114.49	116.12
(b) Other Current Liabilities	5.12	7.05
(c) Provisions	0.66	0.58
Total Current Liabilities	662.96	666.95
Total Equity & Liabilities	801.50	795.76





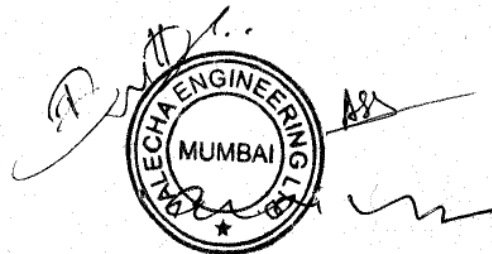
Standalone Statement of Cash Flow for the year ended March 31, 2024

VALECHA

(Rupees in Crores)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	(Audited)	(Audited)
A. Cash flow from Operating activities		
Profit Before Tax	(1.50)	(17.65)
Add / (Deduct) Adjustment for :		
Depreciation and Amortization Expense	0.50	0.54
Finance Cost	0.19	0.19
Interest Income	(1.50)	(1.63)
Re-measurement of defined benefit plans	0.06	(0.01)
Rental Income from Investment Properties	-	(0.40)
Operating Profit/ (Loss) before Working Capital changes	(2.25)	(18.96)
Changes in Working Capital:		
Adjustment for (increase) / decrease in operating assets:		
Decrease in Inventories	0.01	0.03
(Increase)/ Decrease in Trade Receivable	(4.12)	6.27
(Increase) / Decrease Loans	0.01	0.08
(Increase)/ Decrease in other current assets and non-current financial assets	(3.57)	(2.26)
Adjustment for (increase) / decrease in operating liabilities:		
Increase/ (Decrease) in Trade Payables	(0.52)	1.30
Increase/(Decrease) in other current and financial liabilities (non-current)	7.42	7.33
Increase/ (Decrease) in Provisions	0.28	0.09
Cash Generated From / (used in) Operations	(2.74)	(6.12)
Direct Taxes (Paid)	(0.76)	7.99
Net Cash Flow from operating activities (A)	(3.50)	1.87
B. Cash Flow from investing activities		
Capital Expenditure for Property, Plant and Equipments, Right of use assets, Investments Property, Intangible Assets including CWIP	0.01	(0.20)
Interest received	1.50	1.63
Rental Income from investment property	-	0.40
Net Cash flow from investing activities (B)	1.51	1.83
C. Cash flow from financing activities		
Net increase / (Decrease) in Working Capital borrowings	-	(0.03)
Finance Cost	(0.19)	(0.19)
Net Cash flow used in financing activities (C)	(0.19)	(0.22)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(2.18)	3.48
Cash and Cash Equivalent at the beginning of the period	9.08	5.60
Cash and Cash Equivalent at the end of the period	6.90	9.08

Note: Figures in brackets represents cash outflow



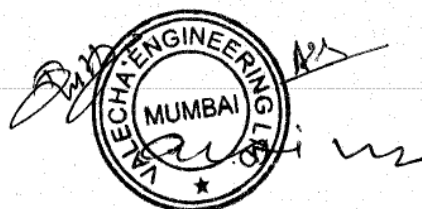
VALECHA ENGINEERING LIMITED



(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, 2024

Sr. No.	PARTICULARS	Consolidated				
		For the quarter ended on			For the year ended on	
		31.03.2024 (Audited)	31.12.2023 (Unaudited)	31.03.2023 (Audited)	31.03.2024 (Audited)	31.03.2023 (Audited)
1	Income					
	(a) Revenue from Operations	19.42	9.03	19.10	70.56	113.69
	(b) Other Income	1.05	0.21	1.63	1.63	3.62
	Total Income	20.47	9.24	20.73	72.19	117.31
2	Expenses					
	a. Construction Expenses	14.37	7.12	25.05	53.04	101.27
	b. Changes in inventories	-	-	(0.01)	0.01	0.02
	c. Employees Benefits Expense	1.35	1.12	1.38	4.24	6.35
	d. Finance costs	51.92	49.38	44.65	198.69	173.63
	e. Depreciation and amortization Expenses	1.88	1.87	4.29	7.48	22.34
	f. Other Expenses	1.22	1.87	2.46	6.43	11.28
	Total Expenses	70.74	61.36	77.82	269.89	314.89
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	(50.27)	(52.12)	(57.09)	(197.70)	(197.58)
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-	-
5	Profit / (Loss) before Exceptional Items and tax (3+4)	(50.27)	(52.12)	(57.09)	(197.70)	(197.58)
6	Exceptional Items	-	-	287.39	-	287.39
7	Profit / (Loss) before tax (5-6)	(50.27)	(52.12)	(344.48)	(197.70)	(484.97)
8	Tax Expense					
	(a) Current Tax (Including earlier year taxation)	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	(50.27)	(52.12)	(344.48)	(197.70)	(484.97)
10	Other Comprehensive Income (OCI)					
	(a) i. Items that will not be reclassified to profit or loss	0.09	(0.01)	0.02	0.06	(0.01)
	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)	-	-
	ii. Income tax relating to items that will be reclassified to profit or loss					
	Total Other Comprehensive Income	0.09	(0.01)	(2.27)	0.06	(0.01)
11	Total Comprehensive Income for the period (9+10)	(50.18)	(52.13)	(346.75)	(197.64)	(484.98)
12	Net Profit/(Loss) attributable to :					
	Shareholders of the Company	(30.07)	(31.96)	(182.74)	(120.22)	(268.51)
	Non-Controlling interest	(20.20)	(20.16)	(161.74)	(77.48)	(216.46)
13	Other Comprehensive Income attributable to :					
	Shareholders of the Company	0.09	(0.01)	(2.27)	0.06	(0.01)
	Non-Controlling interest	-	-	-	-	-
14	Total Comprehensive Income attributable to :					
	Shareholders of the Company	(29.98)	(31.97)	(185.01)	(120.16)	(268.52)
	Non-Controlling interest	(20.20)	(20.16)	(161.74)	(77.48)	(216.46)
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				(1,707.17)	(1,509.53)
17	Earning Per Share (of ₹ 10/- each) (not annualised):					
	(i) Basic earnings (loss) per share	(22.31)	(23.13)	(152.90)	(87.75)	(215.26)
	(ii) Diluted earnings (loss) per share	(22.31)	(23.13)	(152.90)	(87.75)	(215.26)
	See accompanying note to the Financial Results					



VALECHA ENGINEERING LIMITED



(An ISO 9001-2008 Company) CIN : L74210MH1977PLC019535

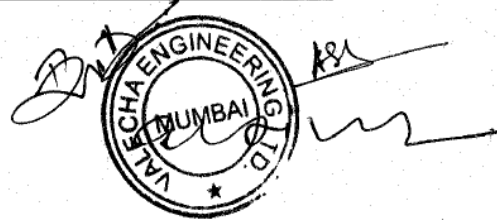
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CONSOLIDATED BALANCE SHEET

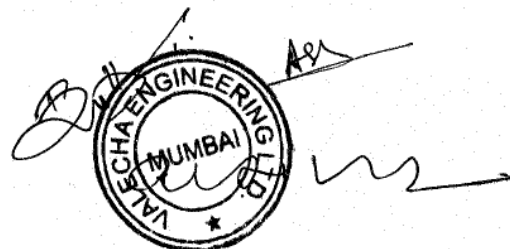
(₹ in Crores)

Particulars	CONSOLIDATED	
	As at 31st March 2024	As at 31st March 2023
	(Audited)	(Audited)
ASSETS		
Non Current Assets		
(a) Property, Plant & Equipment	2.14	2.57
(b) Right of use assets	-	0.11
(c) Capital Work in Progress	-	-
(d) Investment Property	1.58	1.62
(e) Goodwill on Consolidation	1.80	1.80
(f) Other Intangible Assets	17.27	24.18
(g) Intangible Assets under development	-	-
(h) Financial Assets		
(i) Investments	0.08	0.08
(ii) Loans	-	-
(iii) Other Financial Assets	88.70	80.19
(i) Deferred Tax Assets (Net)	-	-
(j) Other Non-Current Assets	38.46	37.65
Total Non Current Assets	150.03	148.20
Current Assets		
(a) Inventories	-	0.01
(b) Financial Assets	-	-
(i) Other Investments	-	-
(ii) Trade Receivables	304.73	302.90
(iii) Cash & Cash Equivalents	9.27	9.62
(iv) Bank Balances other than (iii) above	1.35	4.25
(v) Loans	92.08	92.59
(vi) Other Financial Assets	7.93	6.81
(c) Other Current Assets	26.07	28.63
Total Current Assets	441.43	444.81
Total Assets	591.46	593.01
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	22.53	22.53
(b) Other Equity	(1,091.55)	(971.39)
Equity Attributable to Shareholders of the Company	(1,069.02)	(948.86)
Non-Controlling Interest	(615.62)	(538.14)
Total Equity	(1,684.64)	(1,487.00)
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	52.47	51.21
(ii) Other Financial Liabilities	45.83	34.86
(b) Provisions	0.61	0.58
(c) Deferred Tax Liabilities (Net)	3.77	3.77
(d) Other Non-Current Liabilities	32.61	35.46
Total Non Current Liabilities	135.29	125.88
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	984.89	990.44
(ii) Trade Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	65.85	66.22
(iii) Other Financial Liabilities	1,081.30	889.54
(b) Other Current Liabilities	8.11	7.52
(c) Provisions	0.66	0.41
Total Current Liabilities	2,140.81	1,954.13
Total Equity & Liabilities	591.46	593.01



VALECHA ENGINEERING LIMITED
Consolidated Statement of Cash Flow For the Year Ended March 31, 2024


Particulars	Year Ended March 31, 2024 (Audited)	Year Ended March 31, 2023 (Audited)
A. Cash flow from Operating activities		
Profit/ (Loss) Before Tax	(197.70)	(484.97)
Add / (Deduct) Adjustment for :		
Depreciation and Amortization Expense	7.48	22.34
Impairment/ Discard of Tangible and Intangible Assets	-	287.39
Finance Cost	198.69	173.63
Interest Income	(1.51)	(1.63)
Re-measurement of defined benefit plans	0.06	(0.01)
Rental Income from Investment Properties	-	(0.40)
Operating Profit/ (Loss) before Working Capital changes	7.02	(3.65)
Changes in Working Capital:		
Adjustment for (increase) / decrease in operating assets:		
Decrease in Inventories	0.01	0.03
(Increase)/ Decrease in Trade Receivable	(1.83)	2.64
(Increase) / Decrease Loans	0.51	(0.42)
(Increase)/ Decrease in other current assets and non-current financial assets	(4.17)	(6.43)
Adjustment for (increase) / decrease in operating liabilities:		
Increase/ (Decrease) in Trade Payables	(0.37)	3.62
Increase/(Decrease) in other current and financial liabilities (non-current)	200.51	184.69
Increase/ (Decrease) in Provisions	0.25	(0.35)
Cash Generated From / (used in) Operations	201.92	180.11
Direct Taxes (Paid)	(0.81)	8.08
Net Cash Flow from operating activities (A)	201.11	188.20
B. Cash Flow from investing activities		
Capital Expenditure for Property, Plant and Equipments, Investments Property, Intangible Assets including CWIP	0.01	(10.43)
Interest received	1.51	1.63
Rental Income from investment property	-	0.40
Net Cash flow from investing activities (B)	1.52	(8.40)
C. Cash flow from financing activities		
Proceeds from/ (Repayment) of long term borrowings	1.25	(1.68)
Net increase / (Decrease) in Working Capital borrowings	(5.55)	(2.25)
Finance Cost	(198.69)	(173.63)
Net Cash flow used in financing activities (C)	(202.98)	(177.56)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(0.35)	2.24
Cash and Cash Equivalent at the beginning of the period	9.62	7.38
Cash and Cash Equivalent at the end of the period	9.27	9.62
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, 2024:

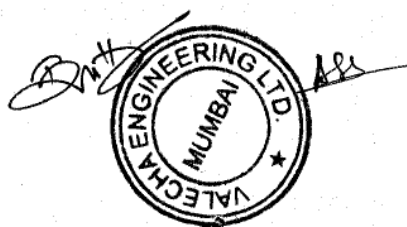
1. This result has been prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.
2. Valecha Engineering Limited ("VEL or the Company or the Holding Company") is engaged in "Construction Activity" and there are no other reportable segments under Ind AS 108 "Operating Segments".
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 Resolution Professional (RP) by CoC), to carry out the functions as mentioned under Insolvency and Bankruptcy Code, 2016

The RP filed an application bearing IA No. 5819(MB) of 2023 in the Company Petition under Section 30(6) of the Code before the Hon'ble NCLT for its consideration and approval of the Resolution Plan. The same is pending for approval before Hon'ble NCLT Mumbai

In terms of Sections 14(4) and 31(3) of the Code, until the resolution plan is approved by the Hon'ble NCLT, the moratorium shall continue to be in effect and accordingly, the RP shall, continue to manage operations of the Company on a going concern basis during the CIRP.

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, 2024 vide their report dated May 30, 2024.
5. With respect to the financial results for the quarter and year ended March 31, 2024, 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 results 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 audited 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 audited financial results. The statement of audited financial results of the Corporate Debtor for the quarter and year ended March 31, 2024 have been taken on record by the RP solely on the basis of and on relying the aforesaid representations and statements of the aforesaid KMP of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in conformity



with the Companies Act, 2013 and other applicable laws with respect to preparation of the audited 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.

6. 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.

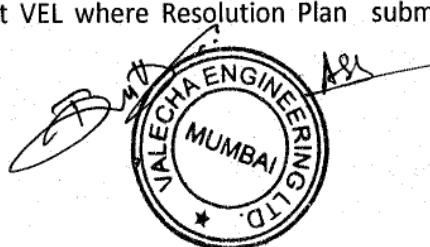
The Holding Company has given Corporate Guarantees of Rs.990.70 Crores for the loans availed by VKTRL which have been invoked by the secured financial creditors of VKTRL. However, the Holding Company has not made any provision in this regard in view of initiation of CIRP against VKTRL and also in view of likely resolution of the account of VEL during CIRP.

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 reasons mentioned above.

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. 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. Further, Corporate Guarantees of Rs.261.14 Crores given by the Holding Company has been invoked by the secured financial creditors of VLMTPL. However, the Holding Company has not made any additional provision in this regard in view of likely resolution in CIRP of the Holding Company.
8. The Company has 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.180.45 crores to four subsidiary companies and one step-down subsidiary company.

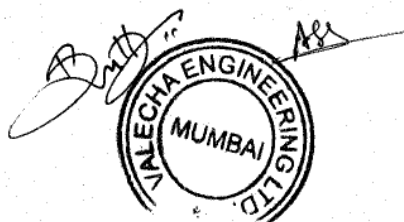
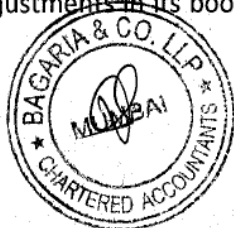
Further Corporate Guarantees of Rs. 168.81 Crores given by the Holding Company has also been invoked by the respective secured financial creditors of one subsidiary and one step down subsidiary. However, the Holding Company has not made any additional provision in this regard in view of the likely resolution in CIRP of the Holding Company.

9. The Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 303.09 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.33.87 crores as at March 31, 2024, in view of ongoing CIRP Proceedings against VEL where Resolution Plan submitted by Resolution



Applicant for revival of Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.

10. The Company has not recognised interest payable on its borrowings from Banks and NBFC's since April 1, 2018 in view of the settlement proposals pursued in the prior year's wherein the Company expected a settlement at an amount lower than the liabilities already recorded in books of accounts. The Company continues to not recognise the interest payable on its borrowings during the current quarter and year ended March 31, 2024 in view of likely resolution in CIRP of the Company.
The Company has also not provided for interest liability which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2024.
11. The Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2024 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 in Prior years. The Company continues to not recognise any interest payable on the outstanding liability payable to Fixed Deposit holders in view of submission of resolution plan and likely resolution in CIRP of the Company.
12. Other Non Current Assets as at March 31, 2024 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, 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 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, 2024.
14. The Company has one in-operative and dormant Bank accounts for which no bank statements are available with the Company as on March 31, 2024. The 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. During the quarter ended March 31, 2024, bank guarantees aggregating to Rs.13.40 crores have been invoked by customers of the Company. However, the Company has not provided for such invocation of bank guarantees in view of likely resolution in CIRP of the Company.
17. 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 Holding Company which is likely to result in resolution of the Company and since as per provisions of IBC, 2016, as the Company is to be kept as a going concern, audited financial results are prepared assuming that it will continue as a going concern.
18. During the ongoing CIRP, the RP has received claims from various operational and financial creditors. In certain instances, the amount of the claim admitted by RP under CIRP differs from the amount reflecting in the books of accounts of the Company. However, pending receipt of final order, the Company has not made any reconciliation / adjustments in its books of account vis-à-vis the claims made by the Creditors. Accordingly,



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, 2024.

19. **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.

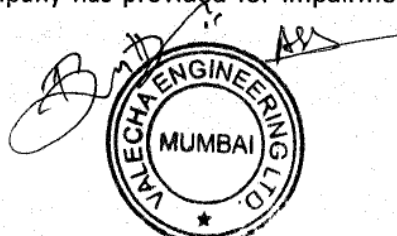
b) Valecha Kachchh Toll Roads Limited (VKTRL)

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.

The accumulated losses incurred in the current year as well as in the past years have resulted in erosion of Company's Net worth. However, 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 audited 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. Since GSRDC has taken over the control of toll operations, the Company has provided for impairment loss on Tangible assets,



Intangible assets and Intangible assets under development aggregating to Rs.342.68 Crores and shown as "Exceptional Items" under Statement of Profit and Loss during previous year.

As per the communication with Resolution Professional the matter is ongoing at Gujarat High Court and the next date for hearing is scheduled for 05th July 2024. Accordingly, we are unable to comment whether the company be able to obtain back the control of the toll operations and receive the claim made by the company, and whether the Company will be able to generate any operational income for a period of 12 months from the date of this auditor's report.

c) Valecha Infrastructure Limited (VIL)

The accumulated losses incurred in the current year 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. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Also, there is uncertainty regarding the recoverability of the strategic investment made in subsidiaries.

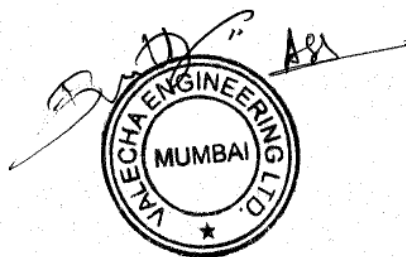
20. Consolidated results for the quarter and year ended March 31, 2024 includes results of following Subsidiaries:

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

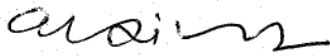
In case of Valecha International FZE, Holding Company's Management certified results have been considered for consolidation.

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 Holding 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.

21. 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
AFA valid till 21/12/2024

For VALECHA ENGINEERING LIMITED



Tarun Dutta

Chief Executive Officer

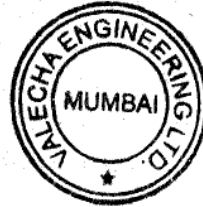
DATE: May 30, 2024

PLACE: MUMBAI



Anil Korpe

Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To The Resolution Professional (RP)
Valecha Engineering Limited

Report on the Audit of the Standalone Financial Results

1. 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 ("IBC") 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) (Later on confirmed as Resolution Professional (RP) by CoC). 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"). RP has invited multiple resolution plans for revival of the Company. The Resolution Plan submitted by one of the Resolution Applicant has been approved by the members of the Committee of Creditors ("CoC"). The RP filed an application bearing IA No. 5819(MB) of 2023 in the Company Petition under Section 30(6) of the Code before the Hon'ble NCLT for its consideration and approval of the Resolution Plan. The same is pending for approval before Hon'ble NCLT Mumbai.

In terms of Sections 14(4) and 31(3) of the Code, until the resolution plan is approved by the Hon'ble NCLT, the moratorium shall continue to be in effect and accordingly, the RP shall, continue to manage operations of the Company on a going concern basis during the CIRP.

2. 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 RP.

Qualified Opinion

We have audited the accompanying standalone financial results of **Valecha Engineering Limited** ('the Company') for the quarter and year ended March 31, 2024 (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, 2024.



We have been informed by Resolution Professional that certain information including the minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as a part of the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Further, we were informed that the Committee of Creditors has approved the resolution plan and is filed with Hon'ble NCLT. However, the detailed resolution plan (including the salient features, consideration agreed, terms and conditions etc.) has not been made available for our review. In the opinion of the RP, the matter is highly sensitive and confidential. Accordingly, we are unable to comment on the possible adjustments required in the carrying amount of assets and liabilities, possible presentation and disclosure impacts, if any, that may arise if we have been provided access to review of that information.

Basis for Qualified Opinion:

We draw attention to the followings:

- i. As explained in Note No. 6 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.

Valecha Engineering Limited (VEL) has given Corporate Guarantees of Rs.990.70 Crores for the loans availed by VKTRL which have been invoked by the secured financial creditors of VKTRL. However, the Company has not made any provision in this regard in view of initiation of CIRP against VKTRL and also in view of likely resolution of the account of VEL during CIRP.

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 likely resolution in CIRP of the Company.

Had the Company made provision towards impairment of such outstanding Loans, Investments and Corporate Guarantees to VKTRL, the Net Loss of the Company would have increased by Rs. 1104.00 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, 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. Further, Corporate Guarantees of Rs.261.14 Crores given by VEL has been invoked by the secured financial creditors of VLMTPL. However, the Company has not made any additional provision in this regard in view of likely resolution in CIRP of the Company.

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 Investments aggregating to Rs. 2.19 crores in four subsidiary companies, Loans & advances



aggregating to Rs.180.45 crores given to its four subsidiary companies and one step-down subsidiary company.

Further, Corporate Guarantees aggregating to Rs.168.81 crores to Banks on behalf of one Subsidiary company and one Step-down Subsidiary company has been invoked by the respective secured financial creditors of the above mentioned subsidiary and step down subsidiary. However, no provision has been made by the Company in this regard in view of likely resolution in CIRP of the Company.

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. 351.45 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. 303.09 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. 33.87 crores as at March 31, 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 and year ended March 31, 2024.

- v. As explained in Note No. 10 to the Standalone Statement, the Company has not recognised interest payable on its borrowings from Banks and NBFC's since April 1, 2018 in view of the settlement proposals pursued in the prior year's wherein the Company expected a settlement at an amount lower than the liabilities already recorded in books of accounts. The Company continues to not recognise the interest payable on its borrowings during the current quarter and year ended March 31, 2024 in view of likely resolution in CIRP of the Company.

The Company has also not provided for interest liability which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2024.

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, 2024, which may arise on account of non-provision of interest on loans 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, 2024 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 in prior years. The Company continues to not recognise any interest payable on the outstanding liability payable to Fixed Deposit holders in view of likely resolution in CIRP of the Company.

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, 2024.



- vii. As explained in Note No. 12 to the Standalone Statement, Other Non-Current Assets as at March 31, 2024 includes Rs 31.35 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 and year ended March 31, 2024.

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

- viii. As explained in Note No. 13 to the Standalone Statement, 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, 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 vii above] and total liabilities of Rs. 26.70 crores as at March 31, 2024. 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, 2024 had the said units been reviewed by us.

- ix. As explained in Note no 14 to the Standalone Statement, the Company has one in-operative and dormant Bank accounts for which no bank statements are available with the Company. The 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, 2024.

- 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, 2024 the amounts whereof are presently not ascertainable.

- xi. As explained in Note no 16 to the Standalone Statement, bank guarantees aggregating to Rs.13.40 crores have been invoked by customers of the Company. However, the Company has not provided for such invocation of bank guarantees in view of likely resolution in CIRP of the Company

Had the Company made provision towards Invocation of bank guarantees, the Net Loss of the Company would have increased by Rs 13.40 Crores.

- xii. As explained in Note no 18 to the Standalone Statement, RP has received claims from various operational and financial creditors. In certain instances, the amount of the claim admitted by RP under CIRP differs from the amount reflecting in the books of accounts of the Company. However, pending receipt of final order, the Company has not made any reconciliation / adjustments in its books of account vis-à-vis the claims made by the Creditors.

In absence of receipt of the final order, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2024, which may arise on account of giving the order effect towards the reconciliations/adjustments in the books of accounts.



- xiii. 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, 2024 the amounts whereof are presently not ascertainable.

The matters stated above except point (xi) & point (xii) were also subject matter of qualification in our review conclusion on the unaudited standalone financial results for the quarter ended December 31, 2023. The matters stated above except point (xi) & point (xii) was also subject matter of qualification in our audit opinion on the audited standalone financial results for the quarter and year ended March 31, 2023.

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. 17 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.17 to the Standalone Statement.

Management's Responsibilities for the Standalone financial results

The Standalone Financial Results, which is the responsibility of the Company's Management has been prepared by the erstwhile Key Managerial Personnel ("KMP") of the Corporate Debtor and relied upon by Resolution Professional as fully described in Note no 3 of the Standalone financial results, has been prepared on the basis of standalone financial statements. The Company's Management are responsible for the preparation of these standalone financial results that give a true and fair view of the net loss 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 Resolution Professional 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 Resolution Professional 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.

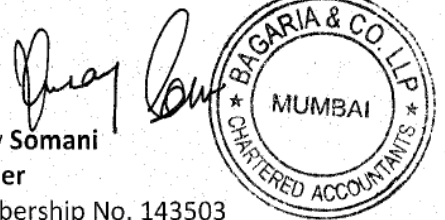
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter:

The Standalone financial results include the results for the quarter ended March 31, 2024 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: 24143503BKDZJM1212

Place: Mumbai
Date: May 30, 2024

INDEPENDENT AUDITOR'S REPORT

To The Resolution Professional (RP)
Valecha Engineering Limited

Report on the Audit of the Consolidated Financial Results

1. 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 ("IBC") 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"). RP has invited multiple resolution plans for revival of the Company. The Resolution Plan submitted by one of the Resolution Applicant has been approved by the members of the Committee of Creditors ("CoC"). The RP filed an application bearing IA No. 5819(MB) of 2023 in the Company Petition under Section 30(6) of the Code before the Hon'ble NCLT for its consideration and approval of the Resolution Plan. The same is pending for approval before Hon'ble NCLT Mumbai.

In terms of Sections 14(4) and 31(3) of the Code, until the resolution plan is approved by the Hon'ble NCLT, the moratorium shall continue to be in effect and accordingly, the RP shall, continue to manage operations of the Company on a going concern basis during the CIRP.

2. 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, 2024, 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, 2024.

We have been informed by Resolution Professional of the Holding Company that certain information including the minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as a part of the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Further, we were informed that the Committee of Creditors has approved the resolution plan and is filed with Hon'ble NCLT. However, the detailed resolution plan (including the salient features, consideration agreed, terms and conditions etc.) has not been made available for our review. In the opinion of the RP, the matter is highly sensitive and confidential. Accordingly, we are unable to comment on the possible adjustments required in the carrying amount of assets and liabilities, possible presentation and disclosure impacts, if any, that may arise if we have been provided access to review of that information.

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, 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 Holding 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.

Valecha Engineering Limited (VEL) has given Corporate Guarantees of Rs.990.70 Crores for the loans availed by VKTRL which have been involved by the secured financial creditors of VKTRL. However,



the Holding Company has not made any provision in this regard in view of initiation of CIRP against VKTRL and also in view of likely resolution of the Account of Valecha Engineering Limited during CIRP.

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 990.70 Crores.

- ii. As explained in Note No. 7 to the Consolidated Statement, Valecha LM Toll Private Limited (VLMTPL), an erstwhile step down subsidiary of the Holding 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. Further, Corporate Guarantees of Rs.261.14 Crores given by VEL has been invoked by the secured financial creditors of VLMTPL. However, the Holding Company has not made any additional provision in this regard in view of likely resolution in CIRP of the Company.

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, 2024, which may arise on account of non-provision of impairment on goodwill as referred above.

Had the Holding Company made provision towards impairment of Goodwill, the Net Loss of the Company would have increased by Rs. 1.80 Crores.

- iv. As explained in Note 8 to the Consolidated Statement, Corporate Guarantees aggregating to Rs.168.81 crores to Banks on behalf of one Subsidiary Company and one Step-down Subsidiary Company has been invoked by the respective secured financial creditors of the above mentioned subsidiary and step down subsidiary. However, no provision has been made by the Holding Company in this regard in view of likely resolution in CIRP of the Holding Company.

Had the Holding Company made provision towards impairment of Corporate Guarantees, the Net Loss of the Company would have increased by Rs. 168.81 Crores.

- v. 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. 303.09 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. 33.87 crores as at March 31, 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 and year ended March 31, 2024.

- vi. As explained in Note No. 10 to the Consolidated Statement, the Holding Company has not recognised interest payable on its borrowings from Banks and NBFC's since April 1, 2018 in view of the settlement proposals pursued in the prior year's wherein the Holding Company expected a settlement at an amount lower than the liabilities already recorded in books of accounts. The Holding Company continues to not recognise the interest payable on its borrowings during the current quarter and year ended March 31, 2024 in view of likely resolution in CIRP of the Holding Company.

The Holding Company has also not provided for interest liability which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2024.

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, 2024, which may arise on account of non-provision of interest on loans and statutory dues as referred above.

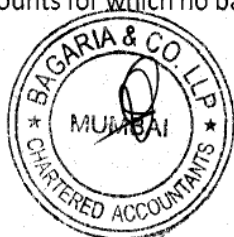
- vii. As explained in Note No. 11 to the Consolidated Statement, the Holding Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2024 payable to public fixed deposit holders. In view of the already weak financial position of the Holding Company, it has not provided any further interest on these outstanding overdue deposits in prior years. The Holding Company continues to not recognise any interest payable on the outstanding liability payable to Fixed Deposit holders in view of likely resolution in CIRP of the Holding Company.

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, 2024.

- viii. As explained in Note No. 12 to the Consolidated Statement, Other Non-Current Assets as at March 31, 2024 includes Rs. 31.35 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 and year ended March 31, 2024.

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.

- ix. 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 / non-operational. The Holding 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, 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 (v) above, balances with revenue authorities of Rs. 8.33 crores referred in point (viii) above] and total liabilities of Rs. 26.70 crores as at March 31, 2024. 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, 2024 had the said units been audited by us.
- x. As explained in Note no 14 to the Consolidated Statement, the Holding Company has one in-operative and dormant Bank accounts for which no bank statements are available with the Holding



Company. 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, 2024.

- 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, 2024, the amounts whereof are presently not ascertainable.
- xii. As explained in Note no 16 to the Consolidated Statement, bank guarantees aggregating to Rs.13.40 crores have been invoked by customers of the Holding Company. However, the Holding Company has not provided for such invocation of bank guarantees in view of likely resolution in CIRP of the Holding Company.

Had the Holding Company made provision towards Invocation of bank guarantees, the Net Loss of the Company would have increased by Rs 13.40 Crores.

- xiii. As explained in Note no 18 to the Consolidated Statement, RP has received claims from various operational and financial creditors. In certain instances, the amount of the claim admitted by RP under CIRP differs from the amount reflecting in the books of accounts of the Holding Company. However, pending receipt of final order, the Holding Company has not made any reconciliation / adjustments in its books of account vis-à-vis the claims made by the Creditors.

In absence of receipt of the final order, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2024, which may arise on account of giving the order effect towards the reconciliations/adjustments in the books of accounts.

- xiv. 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, 2024, the amounts whereof are presently not ascertainable.
- xv. As explained in Note No 19(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 except point (xii) & point (xiii) were also subject matter of qualification in our review conclusion on the unaudited consolidated financial results for the quarter ended December 31, 2023. The matters stated above except point (xi) & point (xii) was also subject matter of qualification in our audit opinion on the audited consolidated financial results for the quarter and year ended March 31, 2023.



Material Uncertainty Related to Going Concern:

We draw attention to Note No. 10 & Note No. 17 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.17 to the Consolidated Statement.

We draw attention to Note no 19(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:

- 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 Menezés, 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.

The accumulated losses incurred in the past years have resulted in erosion of Company's peak Net worth, it has accumulated losses of Rs. (1,446.75 crores) (Previous year: Rs (1,265.03 crores)) and a Negative net worth of Rs. (1,378.25 crores) (Previous year: Negative net worth of Rs. (11,96.53 crores)). During the year ended March 31, 2024, the Company incurred a net loss of (Rs. 181.72 crores) (Previous year: net loss of (Rs. 515.53 crores)). However, in view of the fact that CIRP has been initiated against the Company and as per provisions of IBC, 2016, the company is to be kept as a going concern, and hence audited 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. Since GSRDC has taken over the control of toll operations, the Company has provided for impairment loss on Tangible assets, Intangible assets and Intangible assets under development aggregating to Rs. 342.68 Crores and shown as "Exceptional Items" under Statement of Profit and Loss during previous year.

As per the communication with Resolution Professional the matter is ongoing at Gujarat High Court and the next date for hearing is scheduled for 05th July 2024. Accordingly, we are unable to comment whether the company be able to obtain back the control of the toll operations and receive the claim



made by the company, and whether the company will be able to generate any operational income for a period of 12 months from the date of this auditor's report.

We draw attention to Note no 19(c) to the Consolidated Statement in respect of Valecha Infrastructure Limited (VIL) (a Subsidiary Company) wherein the other auditors had stated in their audit report that:

- As explained in Note No 19(c) to the Consolidated Statement, wherein the auditors of Valecha Infrastructure Limited (VIL) (a Subsidiary Company) had stated in their audit report that the VIL continues to prepare its Financial Statements on going concern basis even though it has accumulated losses of Rs. (232.68 crores) (Previous year: Rs (222.65 crores)) and a Negative net worth of Rs. (232.63 crores) (Previous year: Negative net worth of Rs. (222.60 crores)). During the year ended March 31, 2024, the Company incurred a net loss of (Rs. 10.03 crores) (Previous year: net loss of (Rs. 10.02 crores)). Also there has been default in repayment of bank borrowing. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Also, there is uncertainty regarding the recoverability of the strategic investment made in subsidiaries.

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

Management's Responsibilities for the Consolidated Financial Results

The Consolidated Financial Results, which is the responsibility of the Holding Company's Management, has been prepared by the erstwhile Key Managerial Personnel ("KMP") of the Corporate Debtor and relied upon by Resolution Professional as fully described in Note no 3 of the consolidated financial results, has been prepared on the basis of consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the group 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.

The respective Board of Directors of the entities included in the group 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 consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial results, the Board of Directors/Resolution Professional of the entity's included in the group are responsible for assessing the respective entity'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 respective Board of Directors/Resolution Professional of the entities included in the group are also responsible for overseeing the financial reporting process of the Group



Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the respective 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 respective entities 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 consolidated 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 consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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.

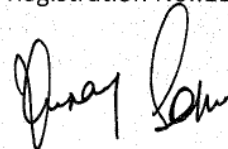
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other 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. 127.16 Crores, total revenue of Rs. 3.50 crores and Rs 13.58 crores for the quarter and year ended March 31, 2024 respectively, total comprehensive loss of Rs. 50.71 crores and Rs 196.20 crores for the quarter and year ended March 31, 2024 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, 2024 and total comprehensive loss of Rs. NIL for the quarter and year ended March 31, 2024. 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.
- iii. The Consolidated financial results include the results for the quarter ended March 31, 2024 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.

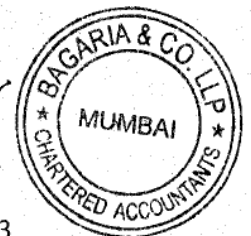
Our opinion is not modified in respect of the above matters listed under "Other Matters" paragraph.

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



Vinay Somani
Partner

Membership No. 143503
UDIN: 24143503BKDJN1460

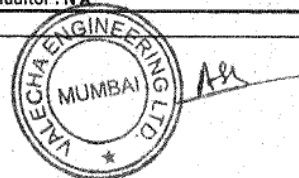


Place: Mumbai
Date: May 30, 2024

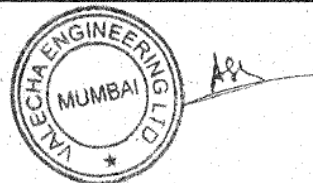
ANNEXURE I

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

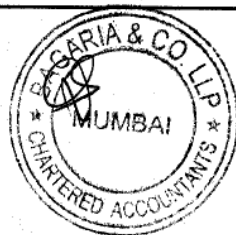
Statement on Impact of Audit Qualifications for the Financial Year Ended March 31, 2024				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sr. no.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Crores	Adjusted Figures (audited figures after adjusting for qualifications) Rs in Crores
	1	Turnover / Total Income	58.62	58.62
	2	Total Expenditure	60.12	60.11
	3	Exceptional Items	-	1,761.34
	4	Net Profit/(loss) before OCI	(1.50)	(1,762.83)
	5	Earnings Per Share- Basic	(0.67)	(782.44)
	6	Total Assets	801.50	474.21
	7	Total Liabilities	781.22	2,215.27
	8	Net Worth	20.28	(1,741.05)
	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 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.</p> <p>Valecha Engineering Limited (VEL) has given Corporate Guarantees of Rs.990.70 Crores for the loans availed by VKTRL which have been invoked by the secured financial creditors of VKTRL. However, the Company has not made any provision in this regard in view of initiation of CIRP against VKTRL and also in view of likely resolution of the account of VEL during CIRP.</p> <p>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 likely resolution in CIRP of the Company.</p> <p>Had the Company made provision towards impairment of such outstanding Loans, Investments and Corporate Guarantees to VKTRL, the Net Loss of the Company would have increased by Rs. 1104.00 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 Company has not made any provision for invocation of Corporate Guarantees, impairment of investments and loans in VKTRL in view of initiation of CIRP against VKTRL and also in view of likely resolution of the Account of Valecha Engineering Limited during CIRP.		
	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 Standalone Statement, 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. 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. Further, Corporate Guarantees of Rs.261.14 Crores given by VEL has been invoked by the secured financial creditors of VLMTPL. However, the Company has not made any additional provision in this regard in view of likely resolution in CIRP of the Company.</p> <p>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.</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 Company has not made any additional provision in this regard in view of likely resolution in CIRP of the Holding Company.		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor : NA		



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 Investments aggregating to Rs. 2.19 crores in four subsidiary companies, Loans & advances aggregating to Rs.180.45 crores given to its four subsidiary companies and one step-down subsidiary company.</p> <p>Further, Corporate Guarantees aggregating to Rs.168.81 crores to Banks on behalf of one Subsidiary company and one Step-down Subsidiary company has been invoked by the respective secured financial creditors of the above mentioned subsidiary and step down subsidiary. However, no provision has been made by the Company in this regard in view of likely resolution in CIRP of the Company.</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. 351.45 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 : The Company has not made any additional provision in this regard in view of the likely resolution in CIRP of the Holding Company.</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. 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. 303.09 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. 33.87 crores as at March 31, 2024.</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, 2024.</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 Company has not made any provision in view of ongoing CIRP proceedings against the Company where Resolution Plan submitted by Resolution Applicant for revival of Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.</p>
5	<p>a. Details of Audit Qualification :</p> <p>v. As explained in Note No. 10 to the Standalone Statement, the Company has not recognised interest payable on its borrowings from Banks and NBFC's since April 1, 2018 in view of the settlement proposals pursued in the prior year's wherein the Company expected a settlement at an amount lower than the liabilities already recorded in books of accounts. The Company continues to not recognise the interest payable on its borrowings during the current quarter and year ended March 31, 2024 in view of likely resolution in CIRP of the Company.</p> <p>The Company has also not provided for interest liability which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2024.</p> <p>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, 2024, which may arise on account of non-provision of interest on loans 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 Company has not made any provision towards interest payable on its borrowing and towards delayed payments/ non-payment of dues towards tax deducted at source in view of likely resolution in CIRP of the Holding Company.</p>



6	<p>a. Details of Audit Qualification :</p> <p>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, 2024 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 in prior years. The Company continues to not recognise any interest payable on the outstanding liability payable to Fixed Deposit holders in view of likely resolution in CIRP of the Company.</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, 2024.</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 Company continues to not recognise any interest payable on the outstanding liability payable to Fixed Deposit holders in view of likely resolution of the Company in the CIRP period.</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, 2024 includes Rs 31.35 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 and year ended March 31, 2024.</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 Company has not made any provision in view of likely resolution of the Company in the CIRP period.</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 many project sites which have either been demobilized 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, 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 vii above] and total liabilities of Rs. 26.70 crores as at March 31, 2024. 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, 2024 had the said units been reviewed 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 Company has not made any provision in view of ongoing CIRP proceedings against the Company where Resolution Plan submitted by Resolution Applicant for revival of Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.</p>
9	<p>a. Details of Audit Qualification :</p> <p>ix. As explained in Note no 14 to the Standalone Statement, the Company has one in-operative and dormant Bank account for which no bank statements are available with the Company. The Company is in the process of obtaining the statements of such inoperative and dormant bank account.</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, 2024.</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 Company is in the process of obtaining the statements of such inoperative and dormant bank account.</p>

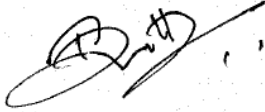
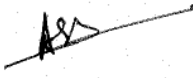
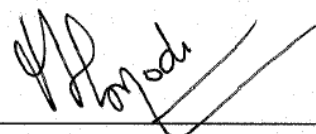
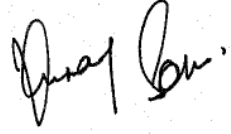


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10	<p>a. Details of Audit Qualification :</p> <p>x. As explained in Note no 15 to the Standalone Statement, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other 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, 2024 the amounts whereof are presently not ascertainable.</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 Company has not made any provision in view of ongoing CIRP proceedings against the Company where Resolution Plan submitted by Resolution Applicant for revival of Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.</p>
11	<p>a. Details of Audit Qualification :</p> <p>xi. As explained in Note no 16 to the Standalone Statement, bank guarantees aggregating to Rs.13.40 crores have been invoked by customers of the Company. However, the Company has not provided for such invocation of bank guarantees in view of likely resolution in CIRP of the Company</p> <p>Had the Company made provision towards Invocation of bank guarantees, the Net Loss of the Company would have increased by Rs 13.40 Crores.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion</p>
	<p>c. Frequency of qualification : First time</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 Company has not provided for such invocation of bank guarantees in view of likely resolution of the Company in CIRP period.</p>
12	<p>a. Details of Audit Qualification :</p> <p>xii. As explained in Note no 18 to the Standalone Statement, RP has received claims from various operational and financial creditors. In certain instances, the amount of the claim admitted by RP under CIRP differs from the amount reflecting in the books of accounts of the Company. However, pending receipt of final order, the Company has not made any reconciliation / adjustments in its books of account vis-à-vis the claims made by the Creditors.</p> <p>In absence of receipt of the final order, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2024, which may arise on account of giving the order effect towards the reconciliations/adjustments in the books of accounts.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion</p>
	<p>c. Frequency of qualification : First time</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 Company has not made any reconciliation / adjustment in the books of accounts in view of ongoing CIRP and likely resolution of the Company in CIRP period.</p>
13	<p>a. Details of Audit Qualification :</p> <p>xiii. 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, 2024 the amounts whereof are presently not ascertainable.</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 Company has not made any provision in view of likely resolution of the Company in CIRP period.</p>



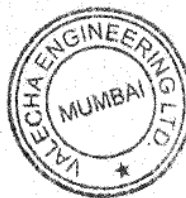
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	Resolution Professional Mr. Anurag Kumar Sinha (IBBI/IPA-001/1P-P00427/2017-18/10750 AFA No. AAI/10750/02/211222/105243 AAI/10750/02/211224/106688	<i>anurag</i>
	Chief Executive Officer Mr. Tarun Dutta	
	Chief Financial Officer Mr. Anil S. Korpe	
	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 :30/05/2024	

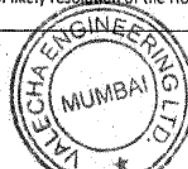
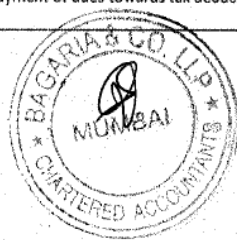


ANNEXURE I
Statement on Impact of Audit Qualifications
(For audit report with modified opinion) submitted along-with
Annual Audited Financial Results (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year Ended March 31, 2024				
[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) Rs. In Crores
	1	Turnover / Total Income	72.19	72.19
	2	Total Expenditure	269.89	269.89
	3	Exceptional Items	-	1,467.20
	4	Net Profit/(loss) before OCI	(197.70)	(1,664.90)
	5	Earnings Per Share- Basic	(87.75)	(738.97)
	6	Total Assets	591.46	558.31
	7	Total Liabilities	2,276.10	3,710.15
	8	Net Worth	(1,684.64)	(3,151.84)
	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, 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 Holding 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.</p> <p>Valecha Engineering Limited (VEL) has given Corporate Guarantees of Rs.990.70 Crores for the loans availed by VKTRL which have been invoked by the secured financial creditors of VKTRL. However, the Holding Company has not made any provision in this regard in view of initiation of CIRP against VKTRL and also in view of likely resolution of the Account of Valecha Engineering Limited during CIRP.</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 990.70 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 Holding Company has not made any provision for invocation of Corporate Guarantees in view of initiation of CIRP against VKTRL and also in view of likely resolution of the account of Holding Company during CIRP.			
	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 (VLMTPL), an erstwhile step down subsidiary of the Holding 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. Further, Corporate Guarantees of Rs.261.14 Crores given by VEL has been invoked by the secured financial creditors of VLMTPL. However, the Holding Company has not made any additional provision in this regard in view of likely resolution in CIRP of the Company.</p> <p>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.</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 Holding Company has not made any provision in this regard in view of likely resolution in CIRP of the Holding Company.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor : NA			



3	a. Details of Audit Qualification :	
		<p>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, 2024, which may arise on account of non-provision of impairment on goodwill as referred above.</p> <p>Had the Company made provision towards impairment of Goodwill, the Net Loss of the Company would have increased by Rs.1.80 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 Holding Company has not made any provision in this regard in view of likely resolution in CIRP of the Holding Company.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :	NA
4	a. Details of Audit Qualification :	
		<p>iv. As explained in Note 8 to the Consolidated Statement, Corporate Guarantees aggregating to Rs.168.81 crores to Banks on behalf of one Subsidiary company and one Step-down Subsidiary company has been invoked by the respective secured financial creditors of the above mentioned subsidiary and step down subsidiary. However, no provision has been made by the Holding Company in this regard in view of likely resolution in CIRP of the Holding Company.</p> <p>Had the Company made provision towards impairment of such Corporate Guarantees, the Net Loss of the Company would have increased by Rs. 168.81 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 Holding Company has not made any provision in this regard in view of likely resolution in CIRP of the Holding Company.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :	NA
5	a. Details of Audit Qualification :	
		<p>v. 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. 303.09 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 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. 33.87 crores as at March 31, 2024.</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, 2024.</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 :	NA
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :	
	(i)	The Holding Company has not made any provision in view of ongoing CIRP proceedings against the Company where Resolution Plan submitted by Resolution Applicant for revival of Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.
6	a. Details of Audit Qualification :	
		<p>vi. As explained in Note No. 10 to the Consolidated Statement, the Holding Company has not recognised interest payable on its borrowings from Banks and NBFC's since April 1, 2018 in view of the settlement proposals pursued in the prior years wherein the Holding Company expected a settlement at an amount lower than the liabilities already recorded in books of accounts. The Holding Company continues to not recognise the interest payable on its borrowings during the current quarter and year ended March 31, 2024 in view of likely resolution in CIRP of the Holding Company.</p> <p>The Holding Company has also not provided for interest liability which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2024.</p> <p>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, 2024, which may arise on account of non-provision of interest on loans and statutory dues as referred above.</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 :	NA
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :	
	(i)	The Holding Company has not made any provision towards interest payable on its borrowing and towards delayed payments/ non-payment of dues towards tax deducted at source in view of likely resolution of the Holding Company in CIRP period.



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7	<p>a. Details of Audit Qualification :</p> <p>vii. 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, 2024 payable to public fixed deposit holders. In view of the already weak financial position of the Holding Company, it has not provided any further interest on these outstanding overdue deposits in Prior years. The Holding Company continues to not recognise any interest payable on the outstanding liability payable to Fixed Deposit holders in view of likely resolution in CIRP of the Holding Company.</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, 2024.</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 Holding Company continues to not recognise any interest payable on the outstanding liability payable to Fixed Deposit holders in view of submission of resolution plan and likely resolution of the Holding Company in the CIRP period.</p>
8	<p>a. Details of Audit Qualification :</p> <p>viii. As explained in Note No. 12 to the Consolidated Statement, Other Non-Current Assets as at March 31, 2024 includes Rs. 31.35 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 and year ended March 31, 2024.</p> <p>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.</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>The Holding Company has not made any provision in view of likely resolution of the Holding Company in the CIRP period.</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor : NA</p>
9	<p>a. Details of Audit Qualification :</p> <p>ix. 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 / non-operational. The Holding 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, 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 (v) above, balances with revenue authorities of Rs. 8.33 crores referred in point (viii) above] and total liabilities of Rs. 26.70 crores as at March 31, 2024. 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, 2024 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 Holding Company has not made any provision in view of ongoing CIRP proceedings against the Holding Company where Resolution Plan submitted by Resolution Applicant for revival of Holding Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.</p>
10	<p>a. Details of Audit Qualification :</p> <p>x. As explained in Note no 14 to the Consolidated Statement, the Holding Company has one in-operative and dormant Bank account for which no bank statements are available with the Holding Company. The Holding Company is in the process of obtaining the statements of such inoperative and dormant bank account.</p> <p>In absence of such bank account details, we are unable to comment on the resultant impact if any on the net results for the quarter and year ended March 31, 2024.</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 Holding Company is in the process of obtaining the statement of such inoperative and dormant bank account.</p>



11	a. Details of Audit Qualification :
	xi. 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, 2024, 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 Holding Company has not made any provision in view of ongoing CIRP proceedings against the Company where Resolution Plan submitted by Resolution Applicant for revival of Holding Company has already been approved by Committee of Creditors (CoC) and thereafter it has been filed with the Hon'ble NCLT for the final approval.
12	a. Details of Audit Qualification :
	xii. As explained in Note no 16 to the Consolidated Statement, bank guarantees aggregating to Rs.13.40 crores have been invoked by customers of the Holding Company. However, the Holding Company has not provided for such invocation of bank guarantees in view of likely resolution in CIRP of the Holding Company. Had the Holding Company made provision towards Invocation of bank guarantees, the Net Loss of the Company would have increased by Rs 13.40 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
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i) The Holding Company has not provided for such invocation of bank guarantees in view of likely resolution of the Holding Company in CIRP period.
13	a. Details of Audit Qualification :
	xiii. As explained in Note no 18 to the Consolidated Statement, RP has received claims from various operational and financial creditors. In certain instances, the amount of the claim admitted by RP under CIRP differs from the amount reflecting in the books of accounts of the Holding Company. However, pending receipt of final order, the Holding Company has not made any reconciliation / adjustments in its books of account vis-à-vis the claims made by the Creditors. In absence of receipt of the final order, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and year ended March 31, 2024, which may arise on account of giving the order effect towards the reconciliations/adjustments in the books of accounts.
	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 : NA
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i) The Holding Company has not made any reconciliation / adjustment in the books of accounts in view of ongoing CIRP and likely resolution of the Holding Company in CIRP period.
14	a. Details of Audit Qualification :
	xiv. 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, 2024, 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 Holding Company has not made any provision in view of likely resolution of the Holding Company in CIRP period.
15	a. Details of Audit Qualification :
	xv. As explained in Note No 19(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/IPA-001/1P-P00427/2017-18/10750 AFA No. 41/10750/02/211223/105248) <i>anurag</i> AAI/10750/02/211224/106688	<i>anurag</i>
	Chief Executive Officer Mr. Tarun Dutta	<i>Tarun Dutta</i>
	Chief Financial Officer Mr. Anil S. Korpe	<i>AS</i>
	Company Secretary & Legal Mr. Vijay Kumar H. Modi	<i>Vijay Modi</i>
	Auditors For Bagaria & Co. LLP Chartered Accountants Firm Registration No. - 113447W/W-100019 Vinay Somani Partner Membership No. 143503	<i>Vinay Somani</i>
	Place : Mumbai	
	Date : 30/05/2024	

