

VALECHA ENGINEERING LIMITED
(AN ISO 9001 - 2008 COMPANY)



08.03.2022

Dept. of Corporate Services, BSE Limited, Phiroze Jeejebhoy Tower, Dalal Street, Fort, Mumbai – 400 001. Security Code No. : 532389	The Manager, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Security Symbol : VALECHAENG
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Dear Sir/s,

- Ref. No: 1. Our Letter No. VEL/21-22 dated 24.01.2022**
2. Outcome of Board Meeting No. VEL/21-22/ dated 04.02.2022
3. Audited Financial Results (Standalone and Consolidated) No. VEL/21-22/ dated 04.02.2022

SUB.: ANNUAL GENERAL MEETING 31.03.2022 & ANNUAL REPORT 2020-21

This is to inform you that the **44th Annual General Meeting** (AGM) of the members of the Company will be held on **Thursday, March 31, 2022 at 9.30 A.M. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 94(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company for the **Financial year 2020-21** comprising the Notice of the AGM and the Standalone and Consolidated Financial Statements for the **Financial Year 2020-21**, along with Board's Report, Auditors' Report and other documents required to be attached thereto ('Annual Report').

In compliance with the relevant circulars, the Annual Report will be sent to all the members of the Company whose email addresses are registered with the Company / Depository Participant(s)/RTA. The details such as manner of (i) registering / updating email addresses, (ii) casting vote through e-voting and (iii) attending the AGM through VC /OAVM has been set out in the Notice of the AGM. The Annual Report is uploaded on the website of the Company viz. www.valecha.in.

Please take the documents or record

THANKING YOU,

YOURS FAITHFULLY

FOR VALECHA ENGINEERING LIMITED


(VIJAYKUMAR H MODI)
COMPANY SECRETARY & LEGAL



VALECHA
REDEFINING INFRASTRUCTURE

VALECHA ENGINEERING LIMITED

44TH
ANNUAL REPORT 2020-21

VALECHA ENGINEERING LIMITED

CIN: L74210MH1977PLC019535

Board of Directors

- Tarun Dutta - Chief Executive Officer w.e.f. 30.07.2019
- L. B. Takekar - Non Executive Director
- Tejas Deshpande - Non Executive - Independent Director
- Sadashiv N Kavi - Non Executive - Independent Director
- Chetna Verma - Non Executive - Independent Director w.e.f 22.12.2021
- Bharti Ranga - Non Executive - Independent Director w.e.f 22.12.2021
- Achal Kapoor - Non Executive - Independent Director w.e.f 22.12.2021

Company Secretary & Legal : Vijaykumar H. Modi

Chief Financial Officer : Anil S Korpe

Auditors : M/s. Bagaria & Co. LLP Chartered Accountants

Bankers : State Bank of India, Canara Bank, Axis Bank Ltd. and Lakshmi Vilas Bank Ltd. Syndicate Bank, Central Bank of India, Yes Bank, State Bank of Bikaner & Jaipur and ICICI Bank

Registrars and Transfer Agents : TSR Darashaw Consultants Private Limited
CIN: U74999MH2018PTC307859
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West) Mumbai 400083
Tel.: 022- 66568484 • Fax: 022-66568494

Registered Office : "Valecha Chambers", 4th Floor, Andheri New Link Road, Andheri (West),
Mumbai-400 053. Tel. : 022-2673 3625 to 29; Fax : 022-2673 3945
E-mail: ho@valecha.in/investor.relations@valecha.in;
Website : www.valechaeng.in

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NOTICE

NOTICE IS HEREBY GIVEN THAT the 44th Annual General Meeting of the Members of the Company will be held on **Thursday, March 31, 2022 at 9.30 A.M. (IST)** through Video Conferencing (VC)/other Audio Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1. Adoption of Financial Statements

To consider and adopt:

- (a) the Audited Financial Statements of the Company for the Financial Year ended **March 31, 2021** and the Report of the Board of Directors and Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended **March 31, 2021** and the Report of Auditors thereon.

Item No. 2 - To appoint a Director in place of Ms. Lalna Takekar (DIN: 08111805), who retires by rotation and being eligible, offers herself for the re-appointment.

SPECIAL BUSINESS:

Item No. 3 – Regularization of Additional Director, Ms. Chetna Verma as a Non- Executive & Independent Director

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Ms. Chetna Verma** (holding **DIN 08981045**), appointed as a Non- Executive and Independent, Additional Director of the Company w.e.f. **22.12.2021** and whose term of office expires at the ensuing Annual General Meeting, be and is hereby appointed as a Non- Executive and Independent Director of the Company to hold office till **30.09.2022**. AND THAT she shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Key Managerial Personnel and/or the Directors of the Company be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

Item no. 4 Regularization of Additional Director, Ms. Bharti Ranga as a Non- Executive & Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Ms. Bharti Ranga** (holding **DIN 06864738**), appointed as a Non- Executive and Independent, Additional Director of the Company w.e.f. **22.12.2021** and whose term of office expires at the ensuing Annual General Meeting, be and is hereby appointed as a Non- Executive and Independent Director of the Company to hold office till **30.09.2022** AND THAT she shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Key Managerial Personnel and/or the Directors of the Company be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

Item no. 5 Regularization of Additional Director, Mr. Achal Kapoor as a Non- Executive and Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Mr. Achal Kapoor** (holding **DIN 09150394**), appointed as a Non- Executive and Independent, Additional Director of the Company w.e.f. **22.12.2021** and whose term of office expires at the ensuing Annual General Meeting, be and is hereby appointed as a Non- Executive and Independent Director of the Company to hold office till **30.09.2022** AND THAT he shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Key Managerial Personnel and/or the Directors of the Company be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

Item no. 6 To consider the ratification of payment of remuneration to the Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 1,00,000/- (Rupees One Lakh only) p.a. plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses, if

any, in connection with the Audit be paid to **M/s Darshan Vora & Co. (Membership No.36481)**, Cost Auditors of the Company, for the Financial Year 2021-22, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid.”

For and on behalf of the Board
FOR VALECHA ENGINEERING LIMITED

Place: Mumbai
 Date: **04.02.2022**

VIJAYKUMAR MODI
COMPANY SECRETARY & LEGAL

Registered Office: "Valecha Chambers" 4th Floor, Plot No. B-6, Andheri New Link Road, Andheri (West), Mumbai - 400 053

Notes:

1. In view of the continuing Novel Coronavirus (COVID-19) pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/ 2020 dated May 5, 2020, read with General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/ 2020 dated April 13, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular No. 21/2021 dated December 14, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the members at a common venue.

In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2021/697 dated December 22, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 ("SEBI circulars") and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations")), the 44th AGM is being held through VC/ OAVM and the members can attend and participate in this AGM through VC/ OAVM.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the Special Business under Item No. 3, 4, 5 and 6 of the Notice, is annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the aforesaid MCA Circulars, read with Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("said SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), physical attendance of Members has been dispensed with.

Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

The Register of Members and Share Transfer Books of the Company will remain closed from the **24th March 2022 to 31st March 2022** (both days inclusive).*

4. In terms of the provisions of Section 112 and 113 of the Act read with the aforesaid MCA Circulars Institutional / Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately in this notice). Such Corporate Members are requested to refer 'General Guidelines for Shareholders' provided in the notice, for more information. Such members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to ragini.c@rediffmail.com with a copy marked to evoting@nsdl.co.in and investor.relations@valecha.in.
5. The attendance of the Members at the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The members, seeking any information with regard to the accounts or any matter to be placed at the AGM or having any questions in connection with the matter placed at AGM, are requested to send email to the Company on or before, on 23.03.2022 on 44agm@valecha.in .The same will be replied suitably.
7. Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, brief profile and other details of Ms. Chetna Verma, Ms. Bharti Ranga and Mr. Achal Kapoor, Non Executive and Independent Directors of the Company are provided in the Explanatory statement annexed to this Notice and a brief profile and other details of Ms. Lalna Takekar, Director retiring by rotation are provided in the "Annexure I" to this Notice.
8. As per Regulation 40 of the Listing Regulations and circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 and other applicable SEBI Circulars, the transfer of equity shares of listed Company can be done only in demat form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent i.e. TSR Darashaw Consultants Private Limited ("RTA") in this regard.

44th Annual Report 2020-2021

9. Those Shareholders whose email IDs are not registered can get their Email ID registered by following procedure as mentioned in this notice. Further, for registration / updation of Bank details shareholders can refer this notice.
10. In accordance with the provisions of Section 139 of the Act, at the Annual General Meeting ("AGM") held on 30.09.2019 M/s. Bagaria & Co., LLP Chartered Accountants (Firm Registration No. 113447W) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 42nd AGM till the conclusion of 47th AGM, subject to the ratification by members at every AGM. The requirement to place the matter relating to the appointment of Auditors for ratification by Members at every Annual General Meeting was omitted vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for the ratification of appointment of Auditors in this Notice of AGM of the Company.
11. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form SH -13 to the Registrar and Transfer Agent of the Company. Members holding shares in demat form may contact their respective Depository Participant ("DP") for recording of nomination.
12. In case of joint holders attending the Meeting. Only such joint holder who is higher in the order of names will be entitled to vote.
13. Members holding shares in electronic/physical form are requested to notify any changes apart from the changes in email id and bank details can be intimated to TSR Darashaw Consultants Private Limited. <TRF-DmatRegister@tsrdarashaw.com>
14. Members, whether holding shares in electronic/physical mode, are requested to quote their DP ID & Client ID or Folio No. for all correspondence with the Company / RTA.
15. NRI Members are requested to:
 - a) change their residential status on return to India permanently.
 - b) furnish particulars of bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code No., if not furnished earlier.
16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form at earliest.
17. Members holding shares under different Folio Nos. in the same names are requested to apply for consolidation of folios and send relevant original share certificates to the Company's RTA for doing the needful.
18. In compliance with MCA General Circular 20/2020 dated May 5, 2020 and SEBI Circular dated May 12, 2020, Notice of the 44th AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of 44th AGM and Annual Report for FY 2020-21 will also be available on the Company's website www.valecha.in and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
Members of the Company holding shares either in physical form or in Dematerialized form as on **Benpos date i.e. Friday 04.03.2022** will be sent Annual Report for the financial year 2020-21 and Notice of 44th Annual General Meeting through electronic mode.
19. Members who wish to inspect statutory registers required to be made available/kept open for inspection at AGM and Relevant documents referred to in this Notice of AGM can send an email to 44agm@valecha.in or investor.relations@valecha.in. Copies of any documents referred to in the Notice and Explanatory Statement are also available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The deemed venue for the AGM will be the Registered Office of the Company.

INSTRUCTIONS FOR REMOTE E-VOTING:

Pursuant the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing 'remote e-voting' facility through National Securities Depository Limited (NSDL) to all Members of the Company to enable them to cast their votes electronically, on all resolutions mentioned in the notice of the 44th Annual General Meeting ("AGM") of the Company.

GENERAL INSTRUCTIONS:

- a) **The remote e-voting period begins on Monday, 28.03.2022 at 9.00 a.m. (IST) and ends on Wednesday, 30.03.2022 at 5.00 p.m. (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 24.03.2022 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. (IST) on Wednesday, 30.03.2022.**
- b) M/s. Ragini Chokshi & Co., Practicing Company Secretaries (Membership No.: FCS 2390; CP No: 1436), has been appointed as a Scrutiniser to scrutinise the remote e-voting process and e-voting at AGM in a fair and transparent manner.

- c) In accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed **Thursday, 24th March, 2022** as the “**cut-off date**” to determine the eligibility to vote by remote e-voting or e-voting at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. **Thursday, 24th March, 2022**, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Only those members, who will be present at the AGM through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
- d) The members who have cast their vote by remote e-voting may also attend the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
- e) Any person who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **Thursday, 24th March, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company or RTA. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. If he / she has forgot his / her password, he / she can reset his / her password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on www.evoting.nsd.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholder holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Thursday, 24th March, 2022** may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
- f) The voting rights of Members shall be in proportion to their shares in the paid-up equity shares capital of the Company as on the cut-off date i.e. **Thursday, 24th March, 2022**.
- g) The Scrutiniser shall submit her consolidated report to the Chairman within 48 hours from the conclusion of the AGM.
- h) The result declared along with the Scrutiniser’s Report shall be placed on the website of the Company at www.valecha.in and on the website of NSDL at <https://www.evoting.nsd.com> and shall simultaneously be communicated to the BSE Limited and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. **31st March, 2022**

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE THROUGH REMOTE E-VOTING:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

- i) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail with a copy marked to evoting@nsdl.co.in and to the Company at 44agm@valecha.in.
- ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsd.com to reset the password.
- iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in, contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/022-24994545 or Ms. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide signed scan copy of request letter mentioning Folio No., Name of shareholder, along with PAN (self-attested scan copy of PAN card), self-attested scan copy of Aadhar Card/any other address proof by email to TSR Darashaw Consultants Private Limited, Registrar & Transfer Agent at csg-unit@tsrdarashaw.com.
2. In case shares are held in demat mode, please provide signed scan copy of request letter mentioning DPID/CLID, Name, along with PAN (self-attested scan copy of PAN card), self-attested scan copy of Aadhar Card/ any other address proof by email to TSR Darashaw Consultants Private Limited Registrar & Transfer Agent at csg-unit@tsrdarashaw.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:

- a) The members can join the AGM in the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice in points given below. The facility of participation at the AGM through VC/ OAVM will be made available for **1,000** Shareholders on 'first come first serve' basis.
This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
- b) Members will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed.
- c) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- d) Members can participate in AGM through smart phone/ laptop, however, for better experience and smooth participation it is advisable to join the Meeting through Laptops connected through broadband.
- e) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g) For ease of conduct, members who would like to ask questions / express their views may send their questions by 27.03.2022 mentioning their name demat account number/folio number, email id, mobile number at 44agm@valecha.in Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email ID mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at 44agm@valecha.in Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The members can also ask questions concurrently.
- h) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or contact Ms. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/ 022-24994545 or Ms. Sagar Ghosalkar, Assistant Manager NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553. The member may also contact company at 44agm@valecha.in or contact on 022-42633227.

The details of the process and manner for e-voting at the Annual General Meeting are explained herein below:

- a) The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
- b) Only those Members/ shareholders, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting
- c) Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.
- d) The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the Annual General Meeting shall be the same persons mentioned for Remote e-voting.

ANNEXURE TO THE NOTICE:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013. [It may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015]:

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to items Nos. 2 to 5 contained in the accompanying Notice dated **04.02.2022**.

Item No. 3

Ms. Chetna Verma (DIN 08981045), aged 31 years, is a Bachelor of Commerce (B.Com.) from Delhi University, MBA (Finance) from IGNOU, has done LLB from Jaipur School of Law and is also a Company Secretary from Institute of Company Secretaries of India (ICSI).

She possesses more than 5 years of experience in the field of Corporate Laws, Securities Law, SEBI Compliances, Financial Management, Accounts and Taxation etc. She is not holding any Equity Shares in the Company.

She was appointed as a Non- Executive and Independent, Additional Director on the Board of the Company on 22.12.2021. She holds the office of Non- Executive and Independent, Additional Director till the ensuing Annual General Meeting of the Company to be held on 31st March 2022.

In the opinion of the Board, Ms. Chetna Verma fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a Non- Executive and Independent Director of the Company and is independent of the management. The Copy of the draft letter of her appointment as a Non- Executive and Independent Director setting out the terms and conditions would be available for inspection to the members without any fee at the Registered Office of the Company during normal business hours on working days.

The Company has also received notice(s) in writing pursuant to Section 160 of the Act, from the member(s) of the Company proposing the candidature of Ms. Chetna Verma to hold the office of Non- Executive and Independent Director.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Chetna Verma being eligible for appointment, is proposed to be appointed as Non- Executive and Independent Director of the Company to hold office till **30.09.2022**

The Board considers her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as a Non- Executive and Independent Director.

Accordingly, the Board recommends the resolution for the appointment of Ms. Chetna Verma as a Non- Executive and Independent Director, for approval of the shareholders of the Company. She is not related to any director or key managerial personnel inter-se.

Except Ms. Chetna Verma being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.3.

Other Directorship:

Name of the Company	Designation	Committee Membership
Esquire Money Guarantees Ltd	Non-Executive and Independent Director	NIL
Sah Polymers Limited	Non-Executive and Independent Director	NIL
Best Agrolife Limited	Non-Executive and Independent Director	Chairman of Audit Committee and Member of Nomination and remuneration committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee
Prosper Housing Finance Limited	Non-Executive and Independent Director	NIL
Ang Lifesciences India Limited	Non-Executive and Independent Director	NIL
Lotte Engineering and Construction India Private Limited	Non-Executive Director	NIL

Item No. 4

Ms. Bharti Ranga (DIN 06864738), aged 34 years, is a Bachelor of Arts(B.A) from The Calcutta University, and is also a Company Secretary from Institute of Company Secretaries of India (ICSI).

She possesses more than 7 years of experience in the field of Equity Capital Markets, Corporate Laws, Securities Law, SEBI Compliances, Financial Management, Accounts and Taxation etc. She is not holding any Equity Shares in the Company.

She was appointed as a Non- Executive and Independent, Additional Director on the Board of the Company on 22.12.2021. She holds the office of Non- Executive and Independent, Additional Director till the ensuing Annual General Meeting of the Company to be held on 31st March 2022.

In the opinion of the Board, Ms. Bharti Ranga fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a Non- Executive and Independent Director of the Company and is independent of the management. The Copy of the draft letter of

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her appointment as a Non- Executive and Independent Director setting out the terms and conditions would be available for inspection to the members without any fee at the Registered Office of the Company during normal business hours on working days.

The Company has also received notice(s) in writing pursuant to Section 160 of the Act, from the member(s) of the Company proposing the candidature of Ms. Bharti Ranga to hold the office of Non- Executive and Independent Director.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Bharti Ranga being eligible for appointment, is proposed to be appointed as a Non- Executive and Independent Director of the Company to hold office till **30.09.2022**

The Board considers her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as a Non- Executive and Independent Director.

Accordingly, the Board recommends the resolution for the appointment of Ms. Bharti Ranga as a Non- Executive and Independent Director, for approval of the shareholders of the Company. She is not related to any director or key managerial personnel inter-se.

Except Ms. Bharti Ranga being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.4.

Other Directorship:

Name of the Company	Designation	Committee Membership
SMVD Poly Pack Limited	Non- Executive and Independent Director	NIL

Item No. 5

Mr. Achal Kapoor (DIN 09150394), aged 35 years, has done Post Graduate Diploma in Business Management in Finance from Symbiosis Center of Distance Learning, a Law Graduate from Bhagwati College of Law, CCS University, Meerut and is also a Company Secretary from Institute of Company Secretaries of India (ICSI).

He possesses more than 10 years of experience in the field of Corporate Laws, Securities Law, SEBI Compliances, Financial Management, Accounts and Taxation etc. He is not holding any Equity Shares in the Company.

He was appointed as a Non- Executive and Independent, Additional Director on the Board of the Company on 22.12.2021. He holds the office of Non- Executive and Independent, Additional Director till the ensuing Annual General Meeting of the Company to be held on 31st March 2022.

In the opinion of the Board, Mr. Achal Kapoor fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as a Non- Executive and Independent Director of the Company and is independent of the management. The Copy of the draft letter of her appointment as a Non- Executive and Independent Director setting out the terms and conditions would be available for inspection to the members without any fee at the Registered Office of the Company during normal business hours on working days.

The Company has also received notice(s) in writing pursuant to Section 160 of the Act, from the member(s) of the Company proposing the candidature of Mr. Achal Kapoor to hold the office of Non- Executive and Independent Director(s).

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Achal Kapoor being eligible for appointment, is proposed be appointed as a Non- Executive and Independent Director of the Company to hold office till **30.09.2022**.

The Board considers his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as a Non- Executive and Independent Director.

Accordingly, the Board recommends the resolution for the appointment of Mr. Achal Kapoor as a Non- Executive and Independent Director, for approval of the shareholders of the Company. He is not related to any director or key managerial personnel inter-se.

Except Mr. Achal Kapoor being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.5.

Other Directorship:

Name of the Company	Designation	Committee Membership
Elitecon International Limited	Non-Executive and Independent Director	NIL
Quasar India Limited	Non-Executive and Independent Director	Chairman of Audit Committee
Shree Worstex Limited	Non-Executive and Independent Director	Chairman of Audit Committee
Gulmohar Investments And Holdings Limited	Non-Executive and Independent Director	Member of Audit Committee
Ravi Iron Limited	Non-Executive and Independent Director	NIL
Adishakti Loha And Ispat Limited	Non-Executive and Independent Director	Member of Audit Committee

Item No. 6

The Board of Directors of the Company, at its meeting held on 04.02.2022,, had, on the recommendation of the Audit Committee, considered and approved the appointment of M/s. Darshan Vora & Co. Cost Accountants (Membership No.36481) as the Cost Auditor of the Company for the Financial Year 2021-22 at a total remuneration of Rs. 1,00,000/- (Rupees One Lakh only) per annum plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses, if any, in connection with the Audit M/s. Darshan Vora & Co., Cost Accountants (Membership No.36481), have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year 2021-22.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6

The Board commends passing of the Ordinary Resolution as set out in Item No. 6 for approval of the members.

For and on behalf of the Board
FOR VALECHA ENGINEERING LIMITED

Place: Mumbai
Date: **04.02.2022**

VIJAYKUMAR MODI
COMPANY SECRETARY & LEGAL

Registered Office:

"Valecha Chambers" 4th Floor, Plot No. B-6, Andheri New Link Road, Andheri (West), Mumbai - 400 053

ANNEXURE - I

Additional Information as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standard – 2 on General Meetings about Ms. Lalna Takekar (DIN: 08111805) Director liable to retire by rotation and recommended for the re-appointment

Name of the Director	Ms. Lalna Takekar
Age	47 years
DIN	08111805
Category	Non-Executive & Non-Independent
Date of first appointment on the Board	March 28, 2019
Brief Resume and nature of expertise in specific functional areas	Ms. Lalna Takekar is a B.Com graduate and has experience in Administration.
Terms & conditions of appointment	Ms. Lalna Takekar is Non-Executive & Non-Independent -Chairperson of the Company and liable to retire by rotation. Terms & conditions of appointment of Ms. Lalna Takekar are as per resolution passed by the members at the AGM held on 30.09.2019 and on 30.09.2020.
Details of remuneration sought to be paid and remuneration last drawn.	During the FY 2020-21, No remuneration was paid to Ms. Lalna Takekar, save & except for sitting fees.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Ms. Lalna Takekar does not have any relationship with other Directors and Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year 2020-21	During the year 2020-21, Six (6) Board meetings were held and Ms. Lalna Takekar attended all the meetings.
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies, Section 8 companies] as on 31 st March, 2021	1. Valecha Infrastructure Limited 2. Valecha Reality Limited 3. Valecha Badwani Sendhwa Toll Ways Limited 4. Valecha Kachchh Toll Roads Limited
Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on 31 st March, 2021	NIL
Number of equity shares held in the Company as on 31 st March, 2021	NIL

DIRECTORS' REPORT

To The Members,

The Directors present their 44th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2021.

Financial Highlights (Standalone)	Rs. in Crores	
	2020-21	2019-20
Revenue from Operations	218.63	207.89
Other Income	5.32	5.70
Total Revenue	223.95	213.59
Profit before Interest, Depreciation, Exceptional Items and Tax	9.06	5.53
Less: Finance Cost	0.76	1.27
Profit before Depreciation, Exceptional Items and Tax	8.30	4.26
Less: Depreciation and Amortization Expenses	1.32	2.11
Profit /(Loss) before Exceptional Item and Tax	6.98	2.15
Exceptional Item	(5.86)	(0.50)
Profit/ (Loss) before Tax	1.12	1.65
Provision for Tax (Including earlier Year Taxation)	0.42	-
Profit /(Loss) after Tax	1.54	1.65
Other comprehensive income/(loss) for the year	(0.38)	1.72
Total comprehensive income for the year	1.16	3.37
Retained Earnings- Opening Balance	(140.85)	(142.50)
Add: Profit/ (Loss) for the Year	1.54	1.65
Retained Earnings- Closing Balance	(139.30)	(140.85)

1. Share Capital:

The paid up Equity Share Capital as on 31st March, 2021 was Rs. 22.53 Crores.

2. Dividend:

In view of the carried forward losses, the Board regrets its inability to recommend any dividend for the year ended 31st March, 2021.

3. Reserves:

No amount is being transferred to reserves.

4. Operations/ State of affairs during the year:

Standalone

The Company has achieved a turnover of Rs. 218.63 crores as at 31st March, 2021 against Rs Rs.207.89 crores resulting into an increase by 5.17%. The Company has incurred profit after Tax of Rs. 1.54 crores against the Profit after Tax of Rs. 1.65 crores in the previous year.

The company has achieved a consolidated turnover of Rs. 232.02 crores as at 31st March, 2021 against Rs 240.36 crores resulting into reduction by 3.47%. The company has incurred a consolidated loss of Rs. 56.18 crores against the Loss after tax of Rs 156.50 crores in the previous year.

5. Fixed Deposits:

As on 31st March, 2021, Fixed Deposits stood at Rs.22.80 Crores as against Rs. 27.93 Crores in the previous year.

Details relating to deposits covered under The Companies (Acceptance of Deposits) Rule, 2014 for the Financial Year 2020-21; deposits re-paid during the year is Rs. 534.56 lakhs to Fixed Deposit holders.

The Company has not repaid deposits amounting to Rs.22.8 crores as at March 31, 2021 as per the contractual terms. Pursuant to the NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and in terms of NCLAT order dated 12.02.2020, the matter has since been sub-judiced. As per these orders, the proceeds from Canara Bank and refunds from Income Tax department will be exclusively utilized for repayment of deposits to deposit holders.

Despite the financial crunch and difficulties faced by the Company, the Company Rs. 534.56 lakhs to Fixed Deposit holders.

6. Material changes and commitments:

There have been no material changes and commitments, affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. Changes in the nature of business

There has been no change in the nature of business

8. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

The Company Petitions were admitted by this Hon'ble Court of Bombay vide orders dated **07.04.2017** and **30.01.2018** and thereafter, the Company was ordered to be wound up vide Orders dated **01.03.2018** and **26.04.2018** passed by the Hon'ble Court in the said **Petition 1 and Petition 2**, respectively. The Company being aggrieved by the Orders dated **01.03.2018** and **26.04.2018** passed by the Hon'ble Court filed Appeals bearing nos. Appeal No. (L) 126 of 2018 and Appeal No. (L) 535 of 2018, respectively. However, both the appeals were also dismissed by the Hon'ble Court vide orders dated **05.03.2021** and **09.03.2021**.

Pursuant to the dismissal of the said Appeals the Company preferred a Special Leave Petition bearing No. SLP (Civil) Diary No.7103 1 2021 before the Hon'ble Supreme Court, which eventually was also dismissed by the Hon'ble Supreme Court vide Order dated **30.04.2021**. However, the said order dated **30.04.2021** also granted liberty to the Company to present a formal petition/application and present a scheme of settlement.

One of the shareholders of the Company, Valecha Investments Pvt Ltd, holding 17.77% of the total equity shares, propounded a scheme of arrangement / compromise in pursuance of the liberty granted by the Supreme Court of India. They have also filed Company Summons for Directions (L) No. 25113 of 2021 seeking appropriate orders to call for meetings of stakeholders to vote on the scheme.

SBI moved an application to transfer the matter to NCLT as the Company is a construction and infrastructure development company and is a going concern which also mentioned in order. Hon'ble court vide order dated **17.12.2021** pleased to pass an order to transferred the matter to National Company Law Tribunal and all the applications and Official Liquidators Reports were disposed off.

- The Bombay High Court vide order dated **17.12.2021** the status of the Company stands changed from Liquidation to Going Concern.
- In view of the Official Liquidator sealed the Registered Office Premises and all the operations and activities of the Company were suspended for the period from **11.03.2021 to 17.01.2022 (Seal Opened)**.

9. Events occurring after the Last Annual General Meeting and upto to date:

The Subsidiary Company Valecha L M Toll Private Limited (VEL Stake – 74%).

NCLT, Mumbai is satisfied that the Corporate Debtor i.e Valecha L M Toll Private Limited has to be liquidated in terms of the provisions of Section 33 of IBC, 2016. Mr. Udayraj Patwardhan, Resolution Professional having IBBI Registration No. IBBI/IPA-001/IP-PP00024/2016-2017/10057, has given his consent to act as a Liquidator of the Corporate Debtor. In view of the fact that the CoC has not approved any resolution plan and passed a resolution for liquidation of the Corporate Debtor i.e Valecha L M Toll Private Limited, the Corporate Debtor i.e Valecha L M Toll Private Limited, shall be liquidated in the manner as laid down in Chapter III with consequential directions.

10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134 of the Companies Act, 2013, and Rules thereunder:

A. Conservation of Energy: At all the sites of the Company the consumption of power is regularly monitored and necessary measures are taken to regulate the consumption.

B. Technology absorption: During the year under review, there is no expenditure on Technology Absorption and on Research and Development.

C. Foreign Exchange Earnings & Outgo:

(Rs. in lakhs)

	2020 - 21	2019 - 20
Foreign Exchange Outgo	NIL	NIL
Foreign Exchange Earned	NIL	NIL

11. Details of Subsidiary/Joint Ventures/Associate Companies:

As on 31st March, 2021, the Company has the following 6 subsidiaries namely:-

1. Valecha Infrastructure Limited
2. Professional Realtors Private Limited
3. Valecha LM Toll Private Limited (Since liquidated)
4. Valecha Badwani Sendhwa Tollways Limited
5. Valecha Kachchh Toll Roads Limited
6. Valecha International FZE

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of Financial Statements of subsidiaries in **Form AOC-1** forms part of the Financial Statement and hence not repeated here for the sake of brevity.

12. Consolidated Financial Statements

The audited Consolidated Financial Statements of the Company also form part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.valechaeng.in. The Company will make available the audited annual accounts and associated information of its subsidiaries, upon request by any of its shareholders.

13. Particulars of Loans, Guarantees or Investments under Section 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

14. Auditors' and their Report:

- Statutory Auditor

M/s. Bagaria & Co. LLP conducted the Statutory Audit for the year 2020-21. The Independent Auditors Report to the members of the Company in respect of the Standalone and Consolidated Financial Statements for the year ended 31st March, 2021 form part of this Annual Report.

STATUTORY AUDITORS In accordance with the provisions of Section 139 of the Companies Act, 2013, at the Annual General Meeting held on August 21, 2017, **M/s. Bagaria & Co. LLP**, Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of 5 years till the conclusion of 47th AGM subject to the ratification by the members at every AGM. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting was omitted vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors in ensuing AGM of the Company. The Company has received a letter from **M/s. M/s. Bagaria & Co. LLP**, Chartered Accountants confirming that they are eligible for continuing as Statutory Auditors of the Company.

Statutory Auditors' Remarks

Relevant Notes to Standalone Financial Statement provide clarification to the Auditors' opinion in related points of the Audit report (Standalone)

Relevant Notes to Consolidated Financial Statement provide clarification to the Auditors' opinion in related point of the Audit report (Consolidated)

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013, in terms of the Central Government's directives, the Board of Directors on the recommendation of the Audit Committee had appointed **M/s Darshan Vora & Co (M/36481)**, Cost Accountant, as the Cost Auditor of the Company for the year 2021-22.

M/s Darshan Vora & Co have confirmed that their appointment is within the limits of Section 139 of the Companies Act, 2013 and has certified that they are free from any disqualifications specified under Section 148(5) and all other applicable provisions of the Companies Act, 2013.

The said auditors have given their eligibility certificate for appointment as Cost Auditor.

- Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed **M/s Ragini Chokshi & Co, Practicing Company Secretary (Membership No.2390)**, a firm of Company Secretaries in practice to undertake the Secretarial Audit for the financial year ended 31st March, 2021. Their Report is annexed as **Annexure-A** to this report.

15. Adequacy of Internal Financial Control

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information to Directors.

16. Directors:

- Appointment of Directors:

The Board of Directors at its meeting held on 22.12.2021 have appointed Ms. Chetna Verma (DIN: 08981045), Ms. Bharti Ranga (DIN: 06864738) and Mr. Achal Kapoor (DIN: 09150394) as a Non Executive & Additional – Independent Directors of the Company.

The Board, therefore, recommends their appointment as a director of the Company. A brief resume and other relevant information has been furnished in the notice convening the AGM.

- Retirement by Rotation

In accordance with the requirement of the Companies Act, 2013, Ms. Lalna Takekar (DIN: 08111805) Non-Executive Director, liable to retire by rotation at the ensuing Annual General Meeting, being eligible, offers herself for re-appointment.

Declaration by Independent Directors:

Ms. Chetna Verma (DIN: 08981045), Ms. Bharti Ranga (DIN: 06864738) and Mr. Achal Kapoor (DIN: 09150394) Non Executive & Additional Independent Directors on the Board of the Company, confirm that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

All Non Executive and Independent Directors have given declaration that they meet the criteria of independence as provided in section 149 (6) of the Act, and Regulation 16 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances, which has affected their status as Independent Director. The Non-Executive and Independent Directors of the company had no pecuniary relationship or transactions with the company.

In the opinion of the Board, they fulfill the conditions of independence as specified and are independent of the management.

17. Board Evaluation

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of the Directors, Chairperson, Board Level Committees and the Board as a Whole and also the evaluation process for the same. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board Members and its Committees with the Company.

18. Meetings of the Board of Directors:

The details of the number of meetings of the Board held during the Financial Year 2020-21 forms part of the Corporate Governance Report.

19. Committees of the Board of Directors

The Board of Directors have the following Committees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance section of this Report.

20. Policies of the Board of Directors

I. Corporate Social Responsibility

During the year under review, in view of the loss incurred, Section 135 (1) of the Companies Act, 2013 is not applicable.

II. Vigil Mechanism/Whistle Blower

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism/Whistle Blower Policy with a view to maintain high standards of transparency in Corporate Governance, deal with unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. No communication from any employee of the company under the Whistle Blower Policy was received during the year.

III. Remuneration Policy for Directors, Key Managerial Personnel and other employees

A. Executive Directors

- a) No remuneration paid to the Managing Director and Whole Time Directors during the year under review
- b) The Remuneration to the Key Managerial Personnel and other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

B. Non-Executive Directors

Non-Executive Directors of a Company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition they also play an appropriate control role.

Sitting Fees

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The sitting fees presently paid to the Non -Executive Directors for the F.Y. 2020-21 is Rs. 10,000/- per meeting of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

IV. Policy on Related Party Transaction

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

In light of the above, VEL has framed a policy on related party transaction. This policy has been adopted by the Board of Directors of the Company based on recommendations of Audit Committee.

The policy on Related Party Transactions, as approved by the Board, is available for viewing on the Company's website

Particulars of Contracts or Arrangements with Related Parties:

The Contracts or Arrangements entered into by the Company with Related Parties have been done at arms' length and are in the ordinary course of business. Form AOC-2 as required under Section 134 (3)(h) is enclosed as **Annexure – B** to this report.

21. Compliance with Secretarial Standards

The Company has complied with applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under Section 118(10) of the Companies Act, 2013.

22. Maintenance of Cost Records

Pursuant to sub-section (1) of Section 148 of the Companies Act, 2013, the Company is required to maintain cost records and accordingly the Company has made and maintained such cost records.

23. Particulars of Employees:

There are no employees drawing salary pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

24. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 [14 of 2013]:

As required by Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace. The Company has also constituted an Internal Complaints Committee with a mechanism of lodging complaints. During the year under review, there were no cases filed pursuant to the aforesaid Act.

25. Extract of the Annual Return:

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year ended March 31, 2021 is available on Company's website at www.valecha.in. The same can be accessed by clicking on the weblink: https://valecha.in/app/webroot/files/Draft_Annual_Return_Form_MGT_7_VEL_2020-21.pdf.

26. Corporate Governance and Management Discussion & Analysis Report:

The Company has complied with the Corporate Governance Code as stipulated under 27(2)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. A separate section on Corporate Governance along with certificate from Secretarial Auditors confirming the compliance is annexed and forms part of the Annual Report. The Management Discussion and Analysis Report and Corporate Governance Report, appearing elsewhere in this Annual Report forms part of the Board's Report

27. Risk Management Policy:

Details on Risk Management Policy have been mentioned in the Corporate Governance Report annexed to this report.

28. Reporting of Frauds

During the year under review, there have been no instances of fraud reported by the Auditors including the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder either to the Company or to the Central Government

29. Director's Responsibility Statement:

As required by Section 134(3)(c) of the Companies Act, 2013 your Directors state that:

- (a) In the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- (b) The accounting policies adopted in the preparation of the annual accounts have been applied consistently. Reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2020-21 and of the profit for the year ended 31st March, 2021.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts for the year ended 31st March, 2021 have been prepared on a going concern basis.
- (e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

30. Acknowledgements:

The Board wishes to place on record its appreciation to all employees of the Company for their continued contribution to the performance of the Company. The Board thanks all the Shareholders, Customers and various Authorities for their continued support during the year. Also, our sincere thanks and gratitude to Bankers/NBFCs who are continuously supporting the Company and its group at all the times for achieving its goal

For and on Behalf of the Board

Place : Mumbai
Date :- 04/02/2022

S. N KAVI
Director

TEJAS DESHPANDE
Director

LALNA B TAKEKAR
Director

ANNEXURE A
FORM NO MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel Rules, 2014]

FOR THE PERIOD 01-04-2020 TO 31-03-2021

To,
The Members,
VALECHA ENGINEERING LIMITED
"Valecha Chambers" 4th Floor, Plot No.B-6,
Andheri New Link Road, Andheri (West)
Mumbai - 400053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VALECHA ENGINEERING LIMITED (CIN: L74210MH1977PLC019535)** (hereinafter called the company) for the year ended on March 31, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period 1st April, 2020 to 31st March, 2021 ("the Reporting Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable during the period under review)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable during the period under review)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the period under review)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable during the period under review)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the period under review)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable during the period under review)**

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Indian Contract Act, 1872
2. Maharashtra Building and Other Construction workers (Regulation of Employment and Conditions of Service) Rules, 2007
3. Building and other construction workers (Regulation of Employment and Conditions of Service) Act, 1996.

4. The Contract Labour (Regulation and Abolition) Act, 1970.
5. Environment Protection Act, 1986

Based on the Compliance Certificates obtained by the Company from the various functional heads, we relied on the Compliances of the above mentioned statutes.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India. (We cannot comment on the compliance of the Secretarial Standards due to the existing COVID-19 pandemic situation prevailing in the country)
- (ii) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirement) Regulation 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except mentioned below:

1. As per regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of Board does not include any executive directors because of non-receipt of NOC from secured creditors consequent upon the default made by the company in repayment of fixed deposits to the holders pursuant to Section 164(2)(b) of Companies Act, 2013.
2. As per regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure of Related Party Transactions for year ended 31st March, 2020 have not been submitted to BSE & NSE and the disclosure of Related Party Transactions for half year ended 30th September, 2020 have been submitted to NSE with a delay of 108 days but the same have not been submitted to BSE. (As per the information provided by the company, the delay was due to the existing COVID-19 pandemic situation prevailing in the country)
3. As per regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with **SEBI Circular No. SEBI/HO/CFD/CMD/1/CIR/P/2020/106** dated June 24, 2020; the Company has submitted Audited Financial Statements for FY ended 31st March, 2020 with a delay of 20 days. (As per the information provided by the company, the delay was due to the existing COVID-19 pandemic situation prevailing in the country and the same was communicated to the stock exchanges for dissemination for a period of 2 months i.e. up to 30th August, 2020 vide letter dated 19/06/2020.)
4. As per regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule III Part A, the intimation of the outcome of the board meeting held on 20th August, 2020 has been submitted to BSE with a delay of 75 minutes. As per the information provided by the company, the delay was due to technical glitch)
5. As per regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the trading of the company has been suspended due to penal reasons.
6. As per **SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2019/140 dated November 21, 2019**; the company has not submitted disclosures of defaults to both BSE and NSE for the financial year 2020-21.
7. Mr. Arvind Thakkar had been appointed as an additional director in the board meeting dated 08/04/2020 and his appointment was regularized in the Annual General Meeting held dated 30/09/2020. However, Form DIR-12 for the same has not been accepted by Ministry of Corporate Affairs/ Registrar of Companies due to existing defaults in repayment fixed deposits pursuant to Section 164(2)(b) of Companies Act, 2013.
8. The Company has an outstanding principal liability of Rs. 22.80 crores as at March 31, 2021 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. Pursuant to the NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and in terms of NCLAT order dated 12.02.2020 the matter has since been adjudged. As per these orders, the proceeds from Canara Bank and refunds from Income Tax department will be utilized for repayment of deposits to deposit holders. The Company has during the year paid some deposit holders out of the income Tax refund received during the year and is in the process of repayment of balance deposit holders based on the availability of proceeds from Canara Bank.
9. On 29/09/2018, the shareholders accorded their approval for the waiver of recovery of excess of managerial remuneration in respect of three Directors of the Company. The Company is taking necessary actions and steps for approval from Secured Lenders pursuant to the Notification dated 12/09/2018 issued by Ministry of Corporate Affairs on the subject. The Company is hopeful of getting requisite approval from the secured lenders upon settlement proposal approved by them.

We further report that

The Board of Directors of the Company comprises of only Non-Executive Independent Directors, therefore the board is not properly balanced as the company has defaulted in repayment of fixed deposits to the holders pursuant to Section 164(2)(b) of Companies Act, 2013.

As per the minutes, the decisions at the Board meeting were taken unanimously/with majority.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company had no specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except:

1. The trading of the company has been suspended by National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited due to penal reasons.
2. Pursuant to the Bombay High Court order dated 05/03/2021 and 09/03/2021, the Official Liquidator took the charge of the Registered office of the company from 11th March, 2021.

On 17th December, 2021; the Bombay High Court has recalled/revoked the said liquidation order, thus, status of the company has since changed from 'Liquidation' to 'Going Concern'.

For Ragini Chokshi & Co

Place: Mumbai
Date: 12/02/2022

Reena Boradia
(Partner) C.P. No. :24214
Membership No. :64465
UDIN: A064465C002549970

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

'Annexure -1'

To,
The Members,

VALECHA ENGINEERING LIMITED

"Valecha Chambers" 4th Floor, Plot No.B-6,
Andheri New Link Road, Andheri (West)
Mumbai-400053

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ragini Chokshi & Co

Place: Mumbai
Date: 12/02/2022

Reena Boradia
(Partner) C.P. No. :24214
Membership No. :64465
UDIN: A064465C002549970

ANNEXURE B

Form No. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014] 2020-21

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.
All contracts arrangements / transactions with related parties were on arms' length basis and were in the ordinary course of business.
2. Details of material contracts or arrangement or transactions at arm's length basis. There was no material related party contract or arrangement or transaction during the year.

REPORT ON CORPORATE GOVERNANCE AS ON 31ST MARCH, 2021

A compliance report on Corporate Governance is included in this Annual Report in compliance of Regulation 34(3) read with Schedule V Part C appended to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter collectively termed as "said regulations")

1. Company's Philosophy on Code of Governance:

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and dedicate itself to increasing long-term shareholders value, keeping in view the need and interest of all its stakeholders' viz. customers, shareholders, employees, regulatory bodies, vendors, bankers etc.

2. Board of Directors:

Composition and size of the Board:

5 (Five) Non-Executive Independent Directors & 1(one) Non-Executive Director

The members of the Board are acknowledged as businessmen and professionals in their respective fields.

Non-Executive Independent Directors bring independent judgment in the Board's deliberations and decisions.

The Company has no pecuniary relationship/transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report.

Board Meetings and Attendance

During the year 2020-2021, the Board met 6 times, with at least one meeting in every quarter and with a gap of less than 120 Days between two meetings on the following dates, namely:

08th April, 2020, 18th July, 2020, 20th August, 2020, 15th September, 2020, 12th November, 2020 and 12th February, 2021.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees in which he/she is a Director.

The following table gives details of Directors, Attendance of Directors at the Board Meetings and the last Annual General Meeting, number of memberships held by Directors in the Board/Committees of various other companies:

Name	Category	DIN	Attendance particulars		Number of other Directorship and Committee Membership/Chairmanship		
			Board Meeting	Last AGM	Other Directorship (excluding Pvt. Ltd. Companies)	Committee Membership	Committee Chairmanship
Mrs. Lalna Takekar	Non Executive Director	08111805	6	Yes	4	3	-
Mr. Tejas Deshpande	Non Executive and Independent Director	01942507	6	Yes	3	3	3
Mr. S.N. Kavi	Non Executive and Independent Director	05134904	6	Yes	0	3	0

3. Audit Committee

Terms of Reference in brief:

The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee subject to Section 177 of the Companies Act, 2013 and Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015:

- i. Overseeing of the Company's financial reporting process and disclosure of financial information and financial/risk management policies.
- ii. Review of Quarterly and Annual Financial Statements ensuring compliance with regulatory guidelines and auditors report thereon.
- iii. Review of the adequacy of Internal Control Systems, discussion on significant Internal Audit findings including internal control and weakness, if any and risk management.
- iv. Recommend appointment, removal of Statutory Auditors, Cost Auditors, Internal Auditors & their remuneration.
- v. Review and approval of material related parties' transactions and subsequent modification thereto.
- vi. Review and approve appointment of CFO or any other person heading the finance function.
- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- viii. Scrutiny of inter-corporate loans and investments.
- ix. Valuation of undertakings or assets of the Company, wherever it is necessary.

X. Review Management Discussion & Analysis of financial condition and the Company's Financial Results

XI. Review areas of operation of Internal Audit team & their performance

Composition of Audit Committee of the Board:

Name of Director	Category	Chairman/Member
Mr. Tejas Deshpande	Non-Executive Independent Director	Chairman
Mr. S.N. Kavi	Non-Executive Independent Director	Member
Mrs. Lalna Takekar	Non-Executive Director	Member

Meetings of the Audit Committee:

The Audit Committee met 4 times during the year 2020-2021 on 20th August, 2020; 15th September, 2020; 12th November, 2020; 12th February, 2021.

The attendance of the members at the meeting was as follows:

Name of Director	Position	Attendance at Meetings
Mr. Tejas Deshpande	Chairman	4
Mr. S.N. Kavi	Member	4
Mrs. Lalna Takekar	Member	4

The Chief Financial Officer is a permanent invitee at the meeting. The Company Secretary acts as the Secretary to the meeting

4. Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee are mentioned in the provisions of Section 178 of the Companies Act, 2013 read with Part D(A) of Schedule II and Regulation 19 of the SEBI Listing Regulations, 2015:

- i. Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board his/her appointment and removal;
- ii. Conduct the evaluation of every director's performance;
- iii. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- iv. Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- v. Formulation of criteria for evaluation of independent directors and the Board
- vi. Devising a policy on Board diversity; and
- vii. Any other matter as the Board may decide from time to time.

Composition of Nomination and Remuneration Committee of the Board:

Name of Director	Category	Chairman/Member
Mr. Tejas Deshpande	Non-Executive Independent Director	Chairman
Mr. S.N. Kavi	Non-Executive Independent Director	Member
Mrs. Lalna Takekar	Non-Executive Director	Member

The Company Secretary acts as the Secretary to the meeting

Remuneration policy and Remuneration paid to Directors:

The sitting fees presently paid to the Non-Executive Directors for the F.Y. 2020-2021 is Rs. 10,000/- per meeting of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

There is no pecuniary relationship or transaction entered into by the Company with any of the Directors of the Company except as disclosed herein below as regards the remuneration including the sitting fees paid to them.

(Rs.)

Sr. No.	Name of Directors	Shareholding as on 31.03.2021	Salary and Perquisites	Sitting Fees	Commission	Total
1	Mrs. Lalna Takekar	0	0	100,000	0	100,000
2	Mr. Tejas Deshpande	0	0	80,000	0	80,000
3	Mr. S.N. Kavi	0	0	80,000	0	80,000
	Total	-		260,000		260,000

The Company does not have any stock option scheme. Other than above mentioned fees, no other remuneration is paid to non-executive directors.

5. Performance Evaluation criteria for Directors:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements), 2015 the Board has carried out an annual performance evaluation of the working of its own performance, the Directors individually as well as evaluation of its Committees.

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors, Board of Directors and Committees of the Board of Directors.

The Board of Directors carry out the performance evaluation of Independent Directors and the director who is subject to evaluation does not participate during his evaluation.

6. Independent Directors' Meeting

During the year under review, the Independent Directors met on 06/03/2021 *inter alia*, to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the Meeting.

7. Familiarization programme for Independent Directors

As and when a new Independent Director is appointed, the Company takes steps to familiarize the Independent Director with the Company, his/her roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

The Directors are also explained in detail about the compliances required from them under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

8. Stakeholder's Relationship Committee:

Stakeholders Relationship Committee specifically looks into redressing of Shareholders' and Investors' Complaints regarding transfer of shares, non-receipt of Dividend warrants and Annual Reports include enquiring into and redress complaints of Shareholders and Investors and to resolve the grievance of security holders of the Company.

All the requests / correspondence received for the financial year ended 31st March, 2021, were duly addressed by the Company/Registrar & Transfer Agent, **TSR Darashaw Consultants Private Limited**, appropriately. No queries are pending for resolution except where they are constrained by dispute or legal impediments or due to incomplete or non-submission of documents by the concerned Shareholders.

Composition of Stakeholders Relationship Committee:

Name of Director	Category	Chairman/Member
Mr. Tejas Deshpande	Non-Executive Independent Director	Chairman
Mr. S.N. Kavi	Non-Executive Independent Director	Member
Mrs. Lalna Takekar	Non-Executive Director	Member

Name and Designation of the Compliance Officer: **Mr. Vijaykumar H. Modi**- Company Secretary & Legal.

During the year under review, the Company had not received any complaints from the shareholders.

9. Risk Management Policy

The Company has set up a Risk Review Team ('Team') to review the risks faced by the Company and monitor the development and deployment of risk mitigation action plans. The Team reports to the Board of Directors and the Audit Committee who provide oversight for the entire risk management framework in the Company.

Accordingly, during the year, the Directors have reviewed the risk management policy and processes and also the risks faced by the Company and the corresponding risk mitigation plans deployed.

The Company is not required to constitute a Risk Management Committee, as the Company falls outside the purview of the provisions of Regulation 21(5) of the SEBI Listing Regulations, 2015.

10. Details of establishment of Vigil Mechanism for directors and employees

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism/Whistle Blower policy with a view to maintain high standards of transparency in Corporate Governance, deal with unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. No communication from any employee of the company under the Whistle Blower Policy was received during the year.

11. Subsidiary Companies:

None of the Company's subsidiary is a material subsidiary during the year under review.

The Audit Committee reviews the financial statements including the investments made by the unlisted subsidiary companies. The minutes of the Board of Directors of the unlisted subsidiary companies are provided to the Board of Directors of the Company as a part of the Board Meeting Agenda notes.

12. General Body Meetings:

The details of last three Annual General Meeting of the Company are as follows:

Date	Time	Details of Special Business	Relevant Section	Location
30.09.2020	9.30 am	Regularization of Additional Director, Shri Tejas Deshpande as an Independent Director	149, 150 & 152	Through Video Conferencing (VC)/other Audio Visual Means(OAVM) at the Registered Office of the Company
		Regularization of Additional Director, Shri S N KAVI as an Independent Director		
		Regularization of Additional Director, Shri Arvind M Thakkar as an Independent Director		
		To consider change of designation of Mrs. Lalna B Takekar		
		To consider the Ratification of payment of Remuneration to Cost Auditor.		
30.09.2019	10.30 a.m	Consider the re-appointment of Mr. Arvindkumar M. Thakkar as an Independent Director	149 &150	Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400001
29.09.2018	03:00 p.m.	To consider the waiver of recovery of remuneration paid/ provided to Mr. Jagdish Valecha	197	Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400001
		To consider the waiver of recovery of remuneration paid/provided to Mr. Dinesh Valecha		
		To consider the waiver of recovery of remuneration paid to Mr. Tarun Dutta		

As on date of this report, there is no proposal to pass any special resolution through Postal Ballot.

13. Disclosures:

- There are no transactions of material nature that have been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company. Transactions with related parties are disclosed in notes to Accounts forming part of the Balance Sheet in the Annual Report.
- The Directors' Report includes details of Management Discussion and Analysis including Risks & Concerns.
- Whistle Blower Policy: The Company takes cognizance of complaints made and suggestions given by the employees and others.
- The mandatory requirements as per SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 have been complied with by the Company.

14. Means of Communication:

- Quarterly/Half yearly/Financial results are published in leading English & Marathi newspapers.
- Quarterly, Half Yearly and Annual Financial Results of the Company immediately after approval of the Board are sent to the Stock Exchange together with a copy of Limited Review Report/Audit Report and Half-yearly Statement of Assets & Liabilities as applicable.
- All the data related to Quarterly, Annual Financial Results, Shareholding Pattern etc. are uploaded as required in terms of SEBI(Listing Obligation and Disclosure Requirement), Regulations 2015.
- Management Discussion and Analysis Report forms part of the Annual Report.

15. Reconciliation of Share capital Audit Report:

A qualified practicing Company Secretary carried out a Reconciliation of Share capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of dematerialized shares held with NSDL and CDSL.

16. Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the same is posted on the Company's website "www.valecha.in". All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Directors has been obtained and is enclosed below.

DECLARATION UNDER CODE OF CONDUCT:		
It is hereby confirmed that all the Directors and Senior Management Personnel (i.e. one level below the executive directors, including all functional heads) of the Company have received, read and understood for compliance with the Code of Conduct framed by the Company and confirmations for the year ended 31.03.2021 have been obtained from the Directors and Senior Management Personnel of the Company.		
For and on behalf of the Board		
For VALECHA ENGINEERING LIMITED		
LALNA TAKEKAR	TEJAS DESHPANDE	S.N. KAVI
DIRECTOR	DIRECTOR	DIRECTOR
Date : 04/02/2022		
Place : Mumbai		

17. CEO/CFO Certification

As required under Listing Regulations, the Chief Executive Officer and the Chief Financial Officer of the Company have issued a certificate to the Board of Directors, for the year ended 31st March, 2021.

18. VEL Code of Conduct for Prevention of Insider Trading:

In compliance with SEBI's regulation on prevention of insider trading, the Company had instituted a comprehensive Code of Conduct for prevention of Insider Trading for its Designated Persons. The Code lays down guidelines, which regulates Trading Window period, seeks disclosures of annual holdings and prohibits dealing in shares of the Company during the closure of Trading Window or when in possession of unpublished price sensitive information, besides compliance with other related matters.

In accordance with the newly notified SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 the Company has laid down new Code of Conduct to regulate, monitor and report trading by Designated Persons pursuant to Regulation 9(1) and Schedule B of the SEBI (Prohibition of Insider Trading) Regulations.

19. General Shareholder Information:

44 th Annual General Meeting	Day & Date : Thursday, 31 st March, 2022 Time : 09.30 A.M Venue : Through Video Conferencing/ OVAM at the Registered Office of the Company	
Financial Calendar	April to March (Financial year) First Quarter Results – 1 st /2 nd week of August Second Quarter Results – 1 st /2 nd week of November Third Quarter Results – 1 st /2 nd week of February Annual Audited Result – Last week of May	
Book Closure	Thursday, 24 th March 2022 to 31 st March 2022	
Listing on Stock Exchange	BSE Limited	National Stock Exchange of India Limited
a) Stock Code No.	532389	VALECHAENG
b) Code on Screen	532389	VALECHAENG
Disclosure on suspension of trading	w.e.f. 29 th November, 2016. The Company has made application to BSE Limited and National Stock Exchange of India Limited for revocation of suspension of trading. The Company expects to commence trading at BSE Limited in due course.	
Registrar and Transfer Agents	TSR Darashaw Consultants Private Limited CIN: U74999MH2018PTC307859 C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400083 Tel.: 66568484 • Fax: 66568494	

* Share Transfer System: The Company's Shares are traded in compulsory demat mode and are transferable through depository system.

All the physical transfers received are processed by the registrar and transfer agents and approved by Share Transfers Committee, which meets at regular intervals.

* Distribution of Shareholding: As on 31st March, 2021.

Shareholding of Nominal Value		Shareholders		Share Amount	
Rs.	Rs.	No.	% to Total	Rs.	% to Total
1	5,000	11,883	81.87	1,83,57,740	8.15
5,001	10,000	1,313	9.05	1,07,26,980	4.76
10,001	20,000	663	4.57	1,01,51,560	4.51
20,001	30,000	242	1.67	61,75,520	2.74
30,001	40,000	107	0.74	38,26,680	1.70
40,001	50,000	83	0.57	39,39,280	1.75
50,001	1,00,000	130	0.90	97,94,940	4.35
1,00,001	Above	94	0.65	16,23,27,550	72.05
TOTAL		14,515	100.00	22,53,00,250	100.00

Shareholding Pattern as on 31.03.2021			
Sr. No.	Category	No. of Shares	%
1	Promoters (Promoter group)	40,76,676	18.09
2	NRI's	9,31,531	4.13
3	Bodies Corporate	922968	4.10
4	Financial Institutions/Mutual Fund	6,99,952	3.11
5	Foreign Institution Investors	3892537	17.28
6	Others:		0.00
	Independent Directors	1,20,348	0.53
	Shares held by Custodians issued against GDRs		0.00
	Indian Public	1,16,41,767	51.67
	Trust	450	0.00
	Investor Education Protection Fund	2,43,796	1.08
	TOTAL	2,25,30,025	100

* Dematerialization of Shares: As on 31st March, 2021, **98.69%** of the Company's total shares representing **2,22,34,280** shares were held in dematerialized form.

The Share are available in Demat form with:

1. Central Depository Services (India) Limited ISIN-INE624C01015
2. National Securities Depository Limited ISIN-INE624C01015

* Plant Location: The Company has various sites.

* Address for correspondence:

(1) Company:

VALECHA ENGINEERING LIMITED

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

CIN : L74210MH1977PLC019535

Tel : 022 - 2673 3625 to 29

Fax : 022 - 2673 3945

E-mail : ho@valecha.in; investor.relations@valecha.in

For and on behalf of the Board

For VALECHA ENGINEERING LIMITED

LALNA TAKEKAR
DIRECTOR

TEJAS DESHPANDE
DIRECTOR

S.N. KAVI
DIRECTOR

Place: Mumbai
Date: 04.02.2022

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of **Valecha Engineering Limited**

We have examined the compliance of the conditions of Corporate Governance by **Valecha Engineering Limited** (the Company) for the year ended March 31, 2021 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations).

We have obtained all the necessary information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our Examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and based on the information and according to explanations given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic and to the best of our knowledge and belief, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations except the following:

- As per regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of Board does not include any executive director and the Corporate Governance Report for the quarter ended June 2020 on BSE & NSE includes the name of Mr. Arvind Thakkar as Non-Executive Independent Director and for the quarter ended September 2020 includes the name of Mr. Arvind Thakkar as Non-Executive Independent Director. The Form DIR-12 filed for appointment of Mr. Arvind Thakkar has not been accepted by the Ministry of Corporate Affairs/Registrar of Companies and hence the name of Mr. Arvind Thakkar is not found on the MCA website.
- As per regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure of Related Party Transactions for year ended 31st March, 2020 have not been submitted to BSE & NSE and the disclosure of Related Party Transactions for half year ended 30th September, 2020 have been submitted to NSE with a delay of 108 days but the same have not been submitted to BSE.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ragini Chokshi & Co

Reena Boradia

(Partner)

C.P. No.: 24214

Membership No.: 64465

UDIN: A064465C002549948

Place: Mumbai

Date: 12/02/2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of,

VALECHA ENGINEERING LIMITED

VALECHA CHAMBERS, 4TH FLOOR, PLOT NO.B-6,
 ANDHERI NEW LINK ROAD, ANDHERI (WEST)
 MUMBAI-400053

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VALECHA ENGINEERING LIMITED** having CIN L74210MH1977PLC019535 and having registered office at VALECHA CHAMBERS, 4TH FLOOR, PLOT NO.B-6, ANDHERI NEW LINK ROAD, ANDHERI (WEST), MUMBAI-400053 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr.No	Name of Director	DIN	Date of Appointment in Company
1.	TEJAS PADMANABH DESHPANDE	01942507	14/11/2019
2.	SADASHIV NARAYAN KAVI	05134904	14/11/2019
3.	LALNA BHARAT TAKEKAR	08111805	28/03/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ragini Chokshi & Co

Reena Boradia

(Partner)

C.P. No.: 24214

Membership No.: 64465

UDIN: A064465C002549948

Place: Mumbai

Date: 12/02/2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Introduction

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development.

Market Size

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development sector (townships, housing, built up infrastructure and construction development projects) and construction (infrastructure) activities stood at US\$ 26.14 billion and US\$ 25.38 billion, respectively, between April 2000 and June 2021. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion.

Government Initiative and investment

In Union Budget 2021, the government has given a massive push to the infrastructure sector by allocating Rs. 233,083 crore (US\$ 32.02 billion) to enhance the transport infrastructure. The government expanded the 'National Infrastructure Pipeline (NIP)' to 7,400 projects. ~217 projects worth Rs. 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020. Through the NIP, the government invested US\$ 1.4 trillion in infrastructure development as of July 2021. The key highlights of the Budget 2021 are as follows:

- In November 2021, the Asian Development Bank (ADB) has approved a US\$ 250-million loan to support development of the National Industrial Corridor Development Programme (NICDP). This is a part of the US\$ 500-million loan to build 11 industrial corridors bridging 17 states.
- In October 2021, the Union Cabinet of India approved the PM GatiShakti National Master Plan—including implementation, monitoring and support mechanism—for providing multi-modal connectivity.
- As a part of the GatiShakti National Master Plan, the government is planning to launch geospatial digital platform to facilitate planning and monitoring of projects ranging from telecom networks, gas pipelines to road and railways.
- In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college and a specialised hospital in Jammu & Kashmir.
- In FY22, government initiatives such the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.
- As of October 2021, the Ministry of Road Transport and Highways constructed national highways extending 4,450 kms compared with 4,956 kms, as of October 2020.
- In September 2021, the Indian government announced road projects worth Rs. 1 lakh crore (US\$ 13.48 billion) to develop road infrastructure in Jammu and Kashmir. The region also recorded growth in national highways, from 7 in 2014 to 11 in 2021.
- On September 29, 2021, NTPC Renewable Energy Ltd (REL), a 100% subsidiary of NTPC Ltd, signed its first green term loan agreement with Bank of India for Rs. 500 crore (US\$ 67.28 million) at a competitive rate and a tenor of 15 years for its 470 MW solar projects in Rajasthan and 200 MW solar projects in Gujarat.
- In August 2021, the Government of India, the Central Water Commission (CWC), government representatives from 10 participating states and the World Bank signed a US\$ 250 million project to support the Indian government's long-term dam safety programme and improve safety and performance of existing dams across various states.
- The Second Dam Rehabilitation and Improvement Project (DRIP-2) will strengthen dam safety by building dam safety guidelines, bring in global experience and introduce innovative technologies. The project will be implemented in ~120 dams across Chhattisgarh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Odisha, Rajasthan and Tamil Nadu, and at the national level through the CWC.
- In August 2021, Union Minister of Road Transport Highways, Mr. Nitin Gadkari announced to launch 1,080-km (road construction) projects worth Rs. 25,370 crore (US\$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana—the ambitious road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.
- In July 2021, the Ministry of Road Transport & Highways allocated Rs. 165 crore (US\$ 22 million) under Economic Importance and Inter State Connectivity Scheme (EIC&ISC) for FY22.
- In July 2021, the Ministry of Road Transport and Highways granted 162-km road highway (New NH-365BG), as part of the economic corridor under the Bharatmala Pariyojana, with an aim to connect Andhra Pradesh and Telangana via a robust road infrastructure that supports speed of 100kms/hour. The total project cost is Rs. 2,600 crore (US\$ 350 million).
- In July 2021, Copenhagen Infrastructure Partners (CIP) signed an investment agreement with Amp Energy India Pvt Ltd. to enable joint equity investments of >US\$ 200 million in renewable energy projects in India, with the potential for future expansion.
- In July 2021, NTPC announced to invest Rs. 2-2.5 crore (US\$ 0.27-0.34 million) over the next 10 years to expand renewable capacity and invited bids for an engineering, procurement, and construction (EPC) package, with land development for 500 MW of grid-connected solar projects anywhere in India.
- In June 2021, Mr. Rajnath Singh, the Minister of Defence e-inaugurated 20 kms long double lane Kimin-Potin road, together with nine other roads in Arunachal Pradesh and one each in the Union Territories of Ladakh and Jammu & Kashmir, built by Border Roads Organisation (BRO).

- In June 2021, Mr. Prakash Javadekar, the ex-Minister of Heavy Industries and Public Enterprises, inaugurated NATRAX, the 1000-acre high-speed track (HST) in Indore. This is Asia's longest track and can be used for a variety of high-speed performance testing on a wide range of vehicles.
- In May 2021, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth Rs. 15 lakh crore (US\$ 206 billion) in the next two years.
- The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes (MFC), railway colonies, hill railways and stadiums.
- In March 2021, the government announced a long-term US\$ 82 billion plan to invest in the country's seaports. ~574 projects have been identified, under the Sagarmala project, for implementation through 2035.
- In March 2021, the Parliament passed a bill to set up the National Bank for Financing Infrastructure and Development (NaBFID) to fund infrastructure projects in India.
- The government announced Rs. 18,998 crore (US\$ 2.61 billion) for metro projects.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.
- The government announced Rs. 305,984 crore (US\$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

Road Ahead

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of Rs. 5,00,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30.

India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

Financial and Operational Performance

The Company has achieved a turnover of Rs. 218.63 crores as at 31st March, 2021 against Rs 207.89 crores resulting into an increase by 5.17%.

Internal Control System

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has appointed external Internal Auditors to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board periodically.

Consequent to implementation of Companies Act, 2013 (Act), the Company has complied with the specific requirements in terms of Section 134(5) (e) of the Act calling for establishment and implementation of an Internal Financial Control framework that supports compliance with requirements of the Act in relation to the Directors' responsibility statement.

Human resources

The company's mission has always been in creating an exciting workplace where opportunities are made available for employees to perform, deliver results to their fullest potential and add value to the organizational growth. Effective and judicious redeployment of manpower played a significant role in ensuring timely mobilization of key personnel required at new project sites.

Improved communication channels, periodic brain-storming sessions, sharing best practices and use of technology to our advantage, augmented the seamless working between sites and various departments and brought in the required coordination for achieving our company's goals & objectives. Periodic reviews and visits were undertaken to ensure costs are kept under control amidst stringent monitoring.

The Top Management's active involvement in Operations provided the thrust & impetus for smooth & effective execution of ongoing projects. Senior leadership team continued to guide, mentor and instill the sense of pride, ownership & commitment amongst the employees so as to strive to excel in this highly competitive Infrastructure industry.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS COMPARED TO PREVIOUS YEAR

Sr. No.	Particulars	2020-21	Change %
1	Debtors Turnover	NA	
2	Current Ratio	0.92	2%
3	Debt Equity Ratio	17.00	-5%
4	Operating Profit Margin (%)	1.71%	-2192%
5	Net Profit Margin (%)	0.70%	-11%

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

Independent Auditor's Report

To The Members of Valecha Engineering Limited

Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Valecha Engineering Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, the Standalone Financial Statements of profit and loss (including other comprehensive income), Standalone Financial Statements of changes in equity and Standalone Financial Statements of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects, if any, of the matters described in the "Basis for Qualified Opinion" paragraph of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to:

1. Note No. 42 to the Standalone Financial Statements, the Company has not evaluated impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" in relation to following Investments made, loans and advances given and Corporate Guarantees extended to its Subsidiaries, Step-Down Subsidiary and Associate Companies whose net-worth is completely eroded on account of continued losses incurred in the past:
 - i. Investments aggregating to Rs.2.15 crores in its three subsidiary companies and Rs. 0.02 crore in one associate company;
 - ii. Loans & advances aggregating to Rs.180.72 crores given to its three subsidiary companies and one step-down subsidiary company;
 - iii. Corporate Guarantees aggregating to Rs.157.96 crores to Banks on behalf of one Subsidiary company and one Step-down Subsidiary company.

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

In absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued by the Company and its Subsidiaries and Step Down Subsidiaries, we are unable to comment upon the resultant impact, if any, on the standalone financial statements, which may arise on account of non-provision of impairment towards Investments, Loans and Corporate Guarantees and fair valuation adjustment of Corporate guarantees as referred above.

2. Note No. 43 to the Standalone Financial Statements, the Company has neither evaluated any impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" nor made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect of its Investment made of Rs. 39.84 crores, loan given of Rs. 73.46 crores and Corporate Guarantees extended of Rs. 777.15 crores as at March 31, 2021 in respect of its one subsidiary (other than subsidiary referred in point (1) above). The net-worth of the subsidiary is completely eroded and it continues to incur losses. The Subsidiary Company has put a cumulative claim of Rs. 1373.70 crores on GSRDC (client of subsidiary) as computed till March 2020 and expects to recover such claim amount and consequently repay/settle all its dues. However, in view of the uncertainty involved over receipt of the claim amount and consequent repayment of all its dues, we are unable to comment upon the need for impairment provisions and the impact of fair valuation adjustments, if any, which may be required and the resultant impact on the Standalone Financial Statements, if any.
3. Note No. 44 to the Standalone Financial Statements, Valecha LM Toll Private Limited (VLMTPL), a step down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL) was admitted to National Company Law Tribunal (NCLT) on 29.03.2019. Subsequently, VLMTPL has also been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. Subsequent to the Balance Sheet Date, during the liquidation proceedings, the substantial asset of VLMTPL being the Toll Collection Rights has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL.

The Company has provided Corporate Guarantees of Rs. 277.83 crores on behalf of VLMTPL which have not been evaluated for impairment provisioning in view of the same not yet being invoked.

In absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued for the Company and its Subsidiaries and Step-Down Subsidiaries, we are unable to comment upon the resultant impact, if any, on the Standalone Financial Statements, which may arise on account of non-provision of impairment towards Corporate Guarantees as referred above.

4. Note No. 45 to the Standalone Financial Statements, the Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 217.01 crores which includes Rs. 100.34 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. 6.78 crores, loans given to other than related parties amounting to Rs. 117.38 crores and advances to suppliers amounting to Rs. 44.10 crores as at March 31, 2021.

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 Standalone Financial Statements.

5. Note No. 46 to the Standalone Financial Statements, wherein the Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA. In view of the proposed Settlement proposals being pursued by the Management with its lenders, the Management expects reliefs and concessions from various lenders and accordingly has not provided for any further interest liability in relation to its outstanding debts.

The Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source and on outstanding payments to Vendors registered under MSME as on March 31, 2021.

In absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued, we are unable to comment upon the resultant impact, if any, on the Standalone Financial Statements, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.

6. Note No. 48 to the Standalone Financial Statements, the Company has an outstanding principal liability of Rs. 22.80 crores as at March 31, 2021 payable to public fixed deposit holders. In view of its already weak financial position, the Company has not made any provision of interest on these outstanding fixed deposits.

In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the Standalone Financial Statements.

7. Note No. 49 to the Standalone Financial Statements, where the Company has stated that Other Current Assets as at March 31, 2021 includes Rs 34.28 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. However, in view of unavailability of information on status of such assessments or status of recoverability, we are unable to comment upon the resultant impact, if any on the Standalone Financial Statements.

8. Note No. 50 to the Standalone Financial Statements, where the Company in relation to its sixteen project sites, which have either been demobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the year ended March 31, 2021. Movement in accounts of such project sites, if any, is on account of balances being written off and/or written back and payments and/or receipts being identified and/or made by the Head Office division in relation to assets and liabilities of such project sites.

Such Project Sites comprises total assets of Rs. 92.00 crores [including Trade Receivables Rs. 78.59 crores and loans to other parties Rs. 4.36 crores referred in point 4 above, balances with revenue authorities of Rs. 7.32 crores referred in point 7 above] and total liabilities of Rs. 40.33 crores as at March 31, 2021. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on the Standalone Financial Statements had the said units been audited by us.

9. Note no 51 to the Standalone Financial Statements, where the Company has certain in-operative Bank accounts, which have turned dormant on account of multiple reasons such as closure of sites, changes in signatories etc. The Company is unable to obtain the statements of such inoperative and dormant bank accounts.

In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the Standalone Financial Statements.

10. Note no 52 to the Standalone Financial Statements, 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 Standalone Financial Statements, the amounts whereof are presently not ascertainable.

11. 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 Standalone Financial Statements, the amounts whereof are presently not ascertainable.

The matters stated above except point 3 & 9 were also subject matter of qualification in our audit conclusion / opinion on the Standalone Financial Statements for the year ended March 31, 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 statements.

Material Uncertainty Related to Going Concern:

We draw attention to Note No. 46, Note No. 57 & Note No. 58 to the standalone financial statements which indicates that the Company has been referred to NCLT for the Corporate Insolvency Resolution Process pending initiation, 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 other matters set forth in Note No. 46, Note No. 57 & Note No. 58, 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 statements of the Company have been prepared on a going concern basis for the reasons stated in Note No. 58 to the Standalone Financial Statements.

Emphasis of matter:

- a. Note No. 44 to the Standalone Financial Statements, Valecha LM Toll Private Limited (VLMTPL), a step-down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL) was admitted to National Company Law Tribunal (NCLT) on 29.03.2019. Subsequently, VLMTPL has also been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. Subsequent to the Balance Sheet Date, during the liquidation proceedings, the substantial asset of VLMTPL being the Toll Collection Rights has

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been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. Accordingly, in view of insubstantial value of remaining assets in VLMTPL, the Holding Company do not see any chances of recovery of its loan amount. The Company has therefore impaired the entire value of its loan to VLMTPL of Rs. 31.13 crores.

- b. Note No. 47 to the Standalone Financial Statement, the Company has during the year recognized a Sale of Investment Property, which as per the documents now received was originally effected in September 2017, however due to unavailability of relevant documents, the Company did not record the transaction in earlier periods. During the current year, the Company has come into possession of the said Sale agreement through an advocate and have accordingly recorded the said sale transaction in the current year. Loss on recording of such sale transaction has been grouped under exceptional items.
- c. Note No. 55 to the Standalone Financial Statement, on 29/09/2018, the shareholders accorded their approval for the waiver of recovery of excess managerial remuneration in respect of three Directors of the Company. The Company is taking necessary actions and steps for approval from Secured Lenders pursuant to the Notification dated 12/09/2018 issued by Ministry of Corporate Affairs on the subject. The Company is hopeful of getting requisite approval from the secured lenders upon settlement proposal approved by them.
- d. Note No. 56 to the Standalone Financial Statement, the Company has during the year, undertook an extensive physical verification of its fixed assets across various locations (including its ongoing project sites). During the course of such verification, the Holding Company have not been able to trace and identify certain assets which were either discarded from active use owing to the expiry of their useful life or have been appropriated by the Contractors at the closed sites due to non-payment of their dues. Accordingly, the Holding Company have impaired such fixed assets at their carrying value as at December 31, 2020 aggregating to Rs. 4.02 crores and have grouped the same under exceptional items.
- e. Note No. 53 to the Standalone Financial Statement, the Company has during the year ended 31st March, 2021 identified certain non-moving balances which in the view of Management, are not recoverable and / or payable. The aggregate of such non-moving non-recoverable balances is Rs.59.60 crores and aggregate of such non-moving non-payable balances is Rs.41.81 crores. These balances have been netted and a net expense of Rs.17.79 crores has been recorded as "Sundry balances written off".

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1	Revenue from Construction Contracts	
	<p>There are significant accounting judgment including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition.</p> <p>The Company recognizes revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract.</p> <p>Refer to Note No. 2.7 Summary of significant accounting policies – "Revenue Recognition" of the Standalone Financial Statements</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 and testing thereof. • Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness; • Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard; • Testing a sample of contracts for appropriate identification of performance obligations; • For the sample selected, reviewing for change orders and the impact on the estimated costs to complete; • Discussion with the qualified & experienced project personnel regarding estimates of costs to complete for sample contracts, determination of milestones, various inherent contingencies in the contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 statements 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements 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 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 identified misstatements in the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and, except for the possible effects of matters described in the "Basis for Qualified Opinion" paragraph above, obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) Except for the effects / possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the Standalone Financial Statements of profit & loss (including other comprehensive income), the Standalone Financial Statements of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.
- d) Except for the effects / possible effects of matters described in the "Basis for Qualified Opinion" paragraphs above, in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the "Basis for Qualified Opinion" paragraphs and the "Emphasis of Matter" paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representation received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a Directors in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid remuneration to its directors during the year.

- i) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the standalone financial statements disclose the impact of pending litigations on financial position of the Company. [Refer Note No. 33 & 54 to the Standalone Financial Statements]
 - ii. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Company has made provision, as required under the applicable law or Ind AS for material foreseeable losses, if any, on long-term contracts.
 - ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No: 113447W/W-100019

Place : Mumbai

Date : February 04, 2022

Vinay Somani

Partner

Membership No: 143503

UDIN :22143503AAJPLA1308

Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Valecha Engineering Limited of even date

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
- b) A major portion of fixed assets have been physically verified by the management in accordance with the programme of verification, which, in our opinion, provides for physical verification of all fixed assets at reasonable interval having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were properly dealt with in the books of account.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.\
- iii) The Company has granted short-term interest-free unsecured loans to five parties covered in the register maintained under Section 189 of the Act, in respect of which:
 - a. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company to five parties covered in the register maintained under Section 189 of the Act, (balance outstanding as at balance sheet date Rs. 254.19 crores) are prejudicial to the Company’s interest on account of them being interest free and without adequate security.
 - b. Since there is no stipulated repayment schedule in case of loans to above referred parties, we are unable to comment on the regularity of repayment of principal & interest.
- iv) In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has complied with the provisions of Sections 185 and 186 of the Companies Act 2013, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanations given to us, during the year the Company has not accepted any deposit from the public. However, the Company has defaulted in repayment of Deposits accepted in previous years amounting to Rs.22.80 Crores. Further, the Company has also not provided penal interest and fine as levied under rule 21 of (Acceptance of Public Deposit) Rules, 2014.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) The Company during the year has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except for the following :

Name of the Statute	Nature of the Dues	Amount (Rs.in Crores)	Period to which the amount relates	Due Date
Income Tax Act, 1961	Tax Deducted at source	1.97	FY 2015-16	7th day from the end of the relevant month.
		1.08	FY 2016-17	7th day from the end of the relevant month.
		3.05		
Provident Fund & Misc. Provision Act 1952.	Provident Fund Contribution	0.03	April 2020 to September 2020	15th day from the end of the relevant month.
		0.03		
Goods and Service Act, 2017	Goods and Service Tax	0.54	FY 2017-18	20 th day from the end of the relevant month.
		0.14	FY 2018-19	20 th day from the end of the relevant month.
		0.23	April 2019 to September 2019	20 th day from the end of the relevant month.
		0.01	April 2020 to September 2020	20 th day from the end of the relevant month.
		0.91		
Profession Tax Act, 1975	Profession Tax	0.01	FY 2017-18	30 th day from the end of the relevant month.
Total		0.01		

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- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Goods and Service Tax and Duty of Customs, Duty of Excise and Value Add Tax which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us, except for the loans, borrowings, and dues mentioned below, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company does not have any debentures issued / outstanding at any time during the year.

Rs. In Crores

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Term Loan				
Central Bank Of India	35.98	13.04	49.02	30 to 2009 Days
Syndicate Bank	58.16	19.71	77.88	30 to 1916 Days
Yes Bank	6.90	1.65	8.56	30 to 1398 Days
State Bank of India (SBI)	12.08	3.47	15.56	30 to 1825 Days
Working Capital Facilities				
State Bank of India	193.70	42.08	235.78	30 to 1827 Days
Axis Bank Ltd	72.54	20.83	93.38	30 to 1836 Days
Canara Bank	21.19	1.93	23.33	30 to 1996 Days
Lakshmi Vilas Bank	30.30	-	30.30	30 to 1186 Days
Fixed Deposits from Public	22.80	-	22.80	30 to 2403 Days
Machinery Loan				
SREI Equipment Finance Ltd.	17.52	10.28	27.80	30 to 1460 Days
Total	471.17	112.99	584.17	

- ix) The Company has not raised any money by way of further public offer (including debt instruments) or term loans during the year.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by the officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on the examination of the records, the Company has not paid / provided for managerial remuneration during the year. As per MCA Notification dated 12/09/2018, the Company has to obtain Secured Lenders approval for payment of remuneration to managing/ whole time director. The Company is pursuing settlement proposals with secured lenders which are expected to be concluded in due course of time. Pending the aforesaid settlement proposals, recovery of managerial remuneration of Rs.1.88 Crores pertaining to previous years in terms of special resolution passed by the members in the Annual General meeting has been kept in abeyance.
- xii) The provisions of Nidhi Company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, the provision of Section 177 and 188 of Act, to the extent applicable, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Financial Statements as required by the applicable accounting standards in Note no. 36 & 37 of the Standalone Financial Statements.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.
- xvi) According to the information and explanations given to us the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No: 113447W/W-100019

Vinay Somani

Partner

Membership No: 143503

UDIN: 22143503AAJPLA1308

Place : Mumbai

Date : February 4, 2022

Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Valecha Engineering Limited of even date

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Valecha Engineering Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity’s assets that could have a material effect on the financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company’s internal financial controls over financial reporting as at March 31, 2021:

- a. The Company is not having a full fledged ERP system to manage different operational activities. Accordingly, many of the operations, which would have been taken care by the system, required manual intervention and to that extent there are limitations in control system and processes. The discrepancies noticed due to the above weakness, were, however, rectified by the year end with manual intervention.
- b. The Company did not have an appropriate internal control system at Sixteen (16) projects sites which could potentially result in material misstatements in the Company’s trade liabilities, trade receivables and other assets.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the said Guidance Note.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2021.

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

Vinay Somani
 Partner
 Membership No: 143503
 UDIN: 22143503AAJPLA1308

Place : Mumbai
 Date : February 4, 2022

BALANCE SHEET AS AT MARCH 31, 2021

(Rs. In Crores)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non Current Assets			
(a) Property, Plant & Equipment	3	1.88	7.02
(b) Right of use assets	3.1	-	0.08
(c) Investment Property	3.2	1.78	5.51
(d) Financial Assets			
(i) Investments	4	42.06	42.12
(ii) Other Financial Assets	5	41.42	41.52
(e) Other Non-Current Assets	6	9.14	22.11
Total Non Current Assets		96.28	118.36
Current Assets			
(a) Inventories	7	1.12	0.51
(b) Financial Assets			
(i) Trade Receivables	8	217.01	229.61
(ii) Cash & Cash Equivalents	9	24.57	2.35
(iii) Bank Balances other than (ii) above	10	0.36	4.65
(iv) Loans	11	379.04	431.88
(v) Other Financial Assets	12	4.64	4.07
(c) Other Current Assets	13	105.35	104.28
Total Current Assets		732.09	777.35
Total Assets		828.37	895.71
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	22.53	22.53
(b) Other Equity	15	13.64	12.47
Total Equity		36.17	35.00
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	30.78	27.15
(ii) Other Financial Liabilities	17	76.97	101.08
(b) Provisions	18	0.15	0.12
Total Non Current Liabilities		107.90	128.35
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	317.73	317.38
(ii) Trade Payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		1.93	2.69
- Total outstanding dues of creditors other than micro enterprises and small enterprises		92.50	114.41
(iii) Other Financial Liabilities	21	266.47	279.18
(b) Other Current Liabilities	22	4.81	17.02
(c) Provisions	23	0.86	1.68
Total Current Liabilities		684.30	732.36
Total Equity & Liabilities		828.37	895.71
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 60		

In term of our Report attached
For Bagaria & Co. LLP
Chartered Accountants
FRN : 113447W/ W-100019

For and on behalf of the Board

Tarun Dutta
Chief Executive Officer

S N Kavi
Director
DIN : 05124904

Tejas Deshpande
Director
DIN : 01942507

Vinay Somani
Partner
Membership No. 143503

Vijay Kumar H. Modi
Company Secretary & Legal
M.No. FCS 1831

Lalna B. Takekar
Director
DIN : 08111805

Anil S. Korpe
Chief Financial Officer

Place : Mumbai.
Date : 04th February, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Crores)

Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
Income			
Revenue from Operations	24	218.63	207.89
Other Income	25	5.32	5.70
Total Income		223.95	213.59
EXPENSES			
Construction Expenses	26	187.84	195.84
Changes in Inventories	27	(0.61)	0.72
Employee Benefit Expenses	28	5.32	7.75
Finance Cost	29	0.76	1.27
Depreciation and Amortization Expenses	3	1.32	2.11
Other Expenses	30	22.34	3.75
Total Expenses		216.97	211.44
Profit/ (Loss) Before Exceptional Items and Tax		6.98	2.15
Exceptional Items (Net)		(5.86)	(0.50)
Profit/ (loss) Before Tax		1.12	1.65
Tax Expenses			
Current Tax (Including earlier year taxation)		(0.42)	-
Profit/ (Loss) for the year		1.54	1.65
Other Comprehensive Income / (Loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Fair Value of Financial Instruments		-	-
(b) Re-measurement of gain/(loss) of investment/advances in foreign subsidiary		-	(0.02)
(c) Re-measurement of defined benefit plans		0.10	0.03
(ii) Income tax relating to items that will not be classified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss			
(a) Re-measurement of gain/(loss) of investment/advances in foreign subsidiary		(0.48)	1.71
(ii) Income tax relating to items that will be classified to profit or loss		-	-
Other Comprehensive Income / (Loss) for the year		(0.38)	1.72
Total Comprehensive Income for the year		1.16	3.37
Earnings per Equity Share of Face Value of Rs. 10 each			
Basic and Diluted	32	0.68	0.74
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 60		

In term of our Report attached
For Bagaria & Co. LLP
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 FRN : 113447W/ W-100019

For and on behalf of the Board

Vinay Somani
 Partner

Membership No. 143503

Place : Mumbai.
 Date : 04th February, 2022

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 Director
 DIN : 01942507

Anil S. Korpe
 Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

(Rupees in Crores)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash flow from Operating activities		
Profit Before Tax	1.12	1.65
Add / (Deduct) Adjustment for :		
Depreciation and Amortization Expense	1.32	2.11
Loss / (Profit) on sale of property, plant & equipments, Investment Property (net)	1.80	-
Impairment/ discard of Plant and Machinerics	4.02	0.50
Provision for diminution in the value of Investment	0.05	
Finance Cost	0.76	1.27
Interest Income	(3.56)	(3.54)
Re-measurement of defined benefit plans	0.10	0.03
Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	(0.48)	1.71
Rental Income from Investment Properties	(1.38)	(1.40)
Operating Profit/ (Loss) before Working Capital changes	3.75	2.33
Changes in Working Capital:		
Adjustment for (increase) / decrease in operating assets:		
Decrease in Inventories	(0.61)	0.72
(Increase)/ Decrease in Trade Receivable	12.60	79.61
(Increase) / Decrease Loans	52.85	38.04
(Increase)/ Decrease in other current assets and non-current financial assets	2.74	(79.23)
Adjustment for (increase) / decrease in operating liabilities:		
Increase/ (Decrease) in Trade Payables	(22.64)	(36.63)
Increase/(Decrease) in other current and financial liabilities (non-current)	(49.03)	(9.73)
Increase/ (Decrease) in Provisions	(0.79)	0.51
Cash Generated From / (used in) Operations	(1.13)	(4.38)
Direct Taxes (Paid)	13.40	(4.03)
Net Cash Flow from operating activities (A)	12.27	(8.41)
B. Cash Flow from investing activities		
Capital Expenditure for Property, Plant and Equipments, Right of use assets, Investments Property, Intangible Assets including CWIP	(0.05)	(0.19)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	1.86	2.64
Investments in subsidiaries	0.01	(0.02)
Interest received	3.56	3.54
Rental Income from investment property	1.38	1.40
Net Cash flow from investing activities (B)	6.76	7.37
C. Cash flow from financing activities		
Proceeds from/ (Repayment) of long term borrowings	3.62	0.07
Net increase / (Decrease) in Working Capital borrowings	0.34	(2.49)
Finance Cost	(0.76)	(1.27)
Net Cash flow used in financing activities (C)	3.20	(3.69)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	22.22	(4.73)
Cash and Cash Equivalent at the beginning of the year	2.35	7.08
Cash and Cash Equivalent at the end of the year	24.57	2.35
Note: Figures in brackets represents cash outflow		
Significant Accounting Policies	1 & 2	
See accompanying notes forming part of the Financial Statements	3 to 60	

In term of our Report attached
For Bagaria & Co. LLP
Chartered Accountants
FRN : 113447W/ W-100019

Vinay Somani
Partner
Membership No. 143503

Place : Mumbai.
Date : 04th February, 2022

For and on behalf of the Board

Tarun Dutta
Chief Executive Officer

Vijay Kumar H. Modi
Company Secretary & Legal
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Director
DIN : 08111805

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Director
DIN : 01942507

Anil S. Korpe
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Crores)

A. Equity Share Capital	Nos. of Shares	Amount
Balance as at April 1, 2019	22,530,025	22.53
Add: Equity Shares allotted during the year	-	-
Balance as at March 31, 2020	22,530,025	22.53
Add: Equity Shares allotted during the year	-	-
Balance as at March 31, 2021	22,530,025	22.53

B. Other Equity	Reserve & Surplus				Item of other Comprehensive Income / (Loss)			Total
	Securities Premium	General Reserve	Surplus / (Deficit) in Statement of Profit and Loss	Revaluation Reserve	Re-measurement of defined benefit plans	Re-measurement of gain/(loss) of investment/ advances in foreign subsidiary	Other Items of other comprehensive Income	
Balance as at April 01, 2019	111.24	43.90	(142.51)	-	(0.29)	1.39	(4.64)	9.10
Other comprehensive Income / (loss) for the year, net of tax	-	-	-	-	0.03	1.69	-	1.72
Profit/ (Loss) for the year	-	-	1.65	-	-	-	-	1.65
Balance as at March 31, 2020	111.24	43.90	(140.85)	-	(0.26)	3.08	(4.64)	12.47
Other comprehensive Income / (loss) for the year, net of tax	-	-	-	-	0.10	(0.48)	-	(0.38)
Profit/ (Loss) for the year	-	-	1.53	-	-	-	-	1.53
Balance as at March 31, 2021	111.24	43.90	(139.31)	-	(0.16)	2.60	(4.64)	13.62

See Accompanying notes forming part of the Financial Statements

In term of our Report attached
For Bagaria & Co. LLP
 Chartered Accountants
 FRN : 113447W/ W-100019

For and on behalf of the Board

Vinay Somani
 Partner

Membership No. 143503

Place : Mumbai.
 Date : 04th February, 2022

Tarun Dutta
 Chief Executive Officer

Vijay Kumar H. Modi
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S N Kavi
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 DIN : 08111805

Tejas Deshpande
 Director
 DIN : 01942507

Anil S. Korpe
 Chief Financial Officer

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

1 Corporate Information

Valecha Engineering Limited ("the Company") is a public limited company incorporated and domiciled in India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is Valecha Chambers, 4th floor, Andheri New Link Road, Andheri (W), Mumbai - 400 053.

The Company is engaged in Construction of high end infrastructural engineering projects such as irrigation dams, roads, bridges, highways, power projects, railways, tunnels, airports, reservoirs, etc. The Company has created some of the most prominent civil engineering infrastructure landmarks.

2 Significant accounting policies

2.1 Statement of compliance

The financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

2.2 Basis of preparation and presentation

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2.1 Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

2.2.2 Current & Non Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as twelve (12) months for the purpose of current or non-current classification of assets and liabilities.

The Company's financial statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest crore (₹ 0,000,000) in two decimals except when otherwise indicated.

2.3 Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known /materialise.

2.4 Inventories

The inventories of materials on hand at the end of the year are valued at lower of cost or net realisable value. The cost is being determined on First-In-First out method. Cost of work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads.

2.5 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

2.7 Revenue recognition

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

obligation is satisfied over time when the transfer of control of asset to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. The Company recognizes revenue and profit/loss on the basis of stage of completion achieved under each contract. The recognition of revenue and profit/loss therefore rely on degree of completion achieved under each contract.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred.

Contracts executed in Joint Ventures / Consortium under work sharing arrangement are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed. In case where the contracts are executed independently by the Joint Ventures the share of profit / (Loss) is recognized as an income / (Loss) in the Books of account of the Company in the year in which the relative contract/s is/are completed / Income received.

Revenue is disclosed net of Goods and Service Tax (GST) as applicable.

Other Income

Interest Income is recognised on the basis of effective interest method as set out in IND AS 109 on Financial Instruments and where no significant uncertainty as to measurability or collectability exists.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.8 Employee Benefit

2.8.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.8.2 Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.8.3 Post-employment obligations

(i) Defined benefit provident fund plan

The Company's contribution to provident fund is charged to Statement of Profit and Loss.

(ii) Defined benefit Gratuity fund plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as provided by LIC. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The Company does not have scheme of leave encashment.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

2.9 Taxation

2.9.1 The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

2.9.2 Current Tax

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.9.3 Deferred Tax

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

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

2.9.4 Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.10.1 Financial Assets

(i) Classification of Financial Assets

The Company classifies its financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- (b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- (a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (c) For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement of Financial Assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

2.10.1.a *Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

2.10.1.b *Equity instruments*

The Company subsequently measures all equity investments at fair value (except investment in subsidiaries and associates which are valued at amortised cost). Where the Company's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.10.1.c *Fair Value Hedge*

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in statement of profit and loss.

(iii) *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(iv) *Derecognition of financial assets*

A financial asset is derecognised only when -

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.10.2 *Financial Liabilities*

(i) *Measurement*

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(ii) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.10.3 (i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(ii) Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.11 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

2.12 Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

Free-hold land is carried at cost. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the assets.

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

Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

Depreciation and amortisation

Depreciation on Fixed Assets is calculated on "Straight Line Method" over the estimated useful life in the manner prescribed in Schedule II of the Companies Act, 2013.w.e.f. 01.04.2014. Depreciation on Revalued Assets, is calculated on their respective book values, at the rates considered applicable by the valuers.

Free hold land is not depreciated. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

2.13 Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are affected. Exchange differences arising on settlement of these transactions are recognized in the Statement of Profit and Loss.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the Balance Sheet and resulting exchange difference is recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

2.14 Investment Property

Property that is held for rental or Capital appreciation and which is not occupied by the Company, is classified by Investing property. Investment property is measured at cost including related transaction cost and where applicable borrowing cost. Investment properties are depreciated at the same rate applicable for class of asset under Property, Plant and Equipment. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

2.15 Intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the intangible assets.

An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and (b) the cost of the asset can be measured reliably.

Amortisation on Intangible asset

Amortisation on intangible Assets is calculated on "Straight Line Method" over the period of useful life of asset as technically evaluated by the management.

2.16 Earnings per share

2.16.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

2.16.2 Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Impairment of Assets :

The carrying amounts of all assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An assets is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.18 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities

Contingent Liabilities are not recognized but disclosed in notes forming part of the financial statements.

Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable. Contingent assets are neither recognised nor recorded in financial statements.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

2.19 Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.20 Leases

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019. Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is accounted at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

2.21 Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in such case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

2.22 New standards and interpretations not yet adopted

There is no such notification which would have been applicable from April 01, 2021.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

3 Property, Plant & Equipments

(Rs. In Crores)

Gross Block

	Land-Freehold	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Total
Balance as at April 01, 2019	0.15	1.45	40.32	6.63	15.62	64.17
Additions	-	-	0.02	0.01	-	0.03
Disposal / Adjustements	-	-	20.09	-	-	20.09
Balance as at March 31, 2020	0.15	1.45	20.25	6.64	15.62	44.12
Additions	-	-	-	0.05	-	0.05
Disposal / Adjustements	-	-	18.57	6.57	14.11	39.26
Balance as at March 31, 2021	0.15	1.45	1.67	0.12	1.51	4.90

Accumulated Depreciation

	Land-Freehold	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Total
Balance as at April 01, 2019	-	0.42	31.38	6.61	13.69	52.11
Depreciation / Amortization	-	0.03	1.38	0.00	0.52	1.93
Disposal / Adjustements	-	-	16.94	-	-	16.94
Balance as at March 31, 2020	-	0.45	15.82	6.61	14.21	37.10
Depreciation / Amortization	-	0.03	0.76	0.01	0.36	1.15
Disposal / Adjustements	-	-	15.38	6.55	13.30	35.22
Balance as at March 31, 2021	-	0.47	1.20	0.08	1.28	3.03
Net carrying amount as at March 31, 2021	0.15	0.98	0.47	0.04	0.23	1.88
Net carrying amount as at March 31, 2020	0.15	1.01	4.43	0.03	1.41	7.02
Net carrying amount as at March 31, 2019	0.15	1.03	8.93	0.02	1.93	12.06

3.1 Right of use assets

(Rs. In Crores)

Gross Block

	Right of use assets	Total
Balance as at April 01, 2019	-	-
Additions	0.16	0.16
Disposal / Adjustments	-	-
Balance as at March 31, 2020	0.16	0.16
Additions	-	-
Disposal / Adjustments	-	-
Balance as at March 31, 2021	0.16	0.16

Accumulated Depreciation

	Building	Total
Balance as at April 01, 2019	-	-
Depreciations	0.08	0.08
Disposal / Adjustments	-	-
Balance as at March 31, 2020	0.08	0.08
Depreciations	0.08	0.08
Disposal / Adjustments	-	-
Balance as at March 31, 2021	0.16	0.16
Net carrying amount as at March 31, 2021	-	-
Net carrying amount as at March 31, 2020	0.08	0.08
Net carrying amount as at March 31, 2019	-	-

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

3.2 Investment Property

(Rs. In Crores)

Gross Block

	Buildings	Total
Balance as at April 01, 2019	6.63	6.63
Additions	-	-
Disposal / Adjustments	-	-
Balance as at March 31, 2020	6.63	6.63
Additions	-	-
Disposal / Adjustments	4.08	4.08
Balance as at March 31, 2021	2.55	2.55

Accumulated Depreciation

	Building	Total
Balance as at April 01, 2019	1.01	1.01
Depreciations	0.10	0.10
Disposal / Adjustments	-	-
Balance as at March 31, 2020	1.12	1.12
Depreciations	0.09	0.09
Disposal / Adjustments	0.44	0.44
Balance as at March 31, 2021	0.77	0.77
Net carrying amount as at March 31, 2021	1.78	1.78
Net carrying amount as at March 31, 2020	5.51	5.51
Net carrying amount as at March 31, 2019	5.62	5.62

Amount recognised in profit or loss for Investment Properties

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
1 Rental Income	1.38	1.40
2 Direct operating expenses from property that generate rental income.	0.08	0.07
3 Direct operating expenses from property that did not generate rental income.	0.15	0.14
4 There are no restrictions on the realisability of investment property.		
5 The company is using same life for the same class of asset as applicable for property plant and equipment.		
Fair Value		
1 Investment property - Office Premises, the market value has not been ascertained.		
2 The range of estimates within which fair value is highly likely to lie- Rs 28.49 crores (Rs 40.06 crores for March 31, 2020)		

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
4 Investments				
Unquoted & Fully Paid Equity Instruments				
i) In Subsidiary Companies - Wholly Owned - At Cost				
Valecha Infrastructure Ltd (Fully paid Equity Share Face Value ₹ 10/- each)	50,000	0.05	50,000	0.05
Valecha International (FZE) - (Fully paid Equity Share Face Value Dh 1,50,000 each)	1	0.30	1	0.31
Professional Realtors Pvt. Ltd. (Fully paid Equity Share Face Value ₹10/- each)	10,000	1.80	10,000	1.80
		2.15		2.16
ii) In Subsidiary Companies - Others - At Cost				
Valecha Kachchh Toll Roads Ltd. (Fully paid Equity Share Face Value ₹10/- each)	39,835,000	39.84	39,835,000	39.84
		39.84		39.84
iii) In Associate Company - At Cost				
Aryavrat Tollways Pvt. Ltd. - Voting Shares (Face Value ₹10/- each)	4,900	0.01	4,900	0.01
Aryavrat Tollways Pvt. Ltd. - Non-Voting Shares (Face Value ₹ 10/- each)	44,100	0.04	44,100	0.04
Less:- Provision for Diminution in the value of Investment	-	(0.05)	-	-
Valecha Reality Ltd (Face Value ₹10/- each)	24,950	0.02	24,950	0.02
		0.02		0.07
iv) In Others (at FVTOCI)				
The Saraswat Co-op. Bank Ltd. (Face Value ₹10/- each)	2,500	-	2,500	-
The Janakalyan Sahakari Bank Ltd. (Face Value ₹10/- each)	50,000	0.05	50,000	0.05
The Janta Sahakari Bank Ltd (Face Value ₹10/- each)	100	-	100	-
Valecha Chambers Condominium (Face Value ₹ 100/- each)	37	-	37	-
Varun Cements Ltd. (Face Value ₹ 10/- each)	42,800	-	42,800	-
		0.05		0.05
Total		42.06		42.12
Aggregate amount of unquoted investments		42.06		42.12
			As at March 31, 2021	As at March 31, 2020
5 Other Non Current Financial Assets				
Unsecured, Considered good unless otherwise stated				
Security Deposits			0.10	0.10
Retention			38.43	38.53
Others			2.89	2.89
Total			41.42	41.52
6 Other Non Current Assets				
Balances with Government Authorities (net)			9.14	22.11
Total			9.14	22.11

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

	As at March 31, 2021	As at March 31, 2020
7 Inventories (As taken, valued & certified by Management)		
Stock of Materials	1.12	0.51
Total	1.12	0.51
8 Trade Receivables* Unsecured		
Considered Good	217.01	229.61
Less: Allowance for Expected Credit Loss	-	-
Total	217.01	229.61
* Refer note no. 41.2 for credit risk		
9 Cash and Cash Equivalents		
Cash on Hand	-	0.12
Balances with Banks		
- In Current Accounts	24.57	2.23
	24.57	2.35
10 Other Bank Balances		
Earmarked Balances with Banks		
- Unpaid Dividend Accounts	0.03	0.06
- Margin Money Deposits	0.33	4.59
	0.36	4.65
11 Loans (Current)		
Unsecured, considered good unless otherwise stated		
Loans to Subsidiary Companies	254.19	285.68
Loans to Related Parties	6.78	6.57
Loans and Advances to Employees	1.47	1.37
Other Loans and advances	116.60	138.26
	-	-
	379.04	431.88
12 Other Current Financial Assets		
Unsecured, considered good unless otherwise stated		
Interest Accrued on Fixed Deposits	4.64	4.07
Total	4.64	4.07
13 Other Current Assets		
Balance with Government Authorities	34.28	33.73
Balance with GST Authorities	2.78	0.27
Unbilled Revenue	24.02	28.27
Advance to suppliers	44.10	41.98
Others	0.17	0.03
Total	105.35	104.28

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

	Number of Shares	Amount	Number of Shares	Amount
14 Share Capital				
Authorised:				
Equity Shares of Rs. 10/- each	35,000,000	35.00	35,000,000	35.00
Issued, Subscribed & paid up:				
Equity Shares of Rs. 10/- each	22,530,025	22.53	22,530,025	22.53
14.1 Reconciliations of the number of equity shares and amount outstanding at beginning and end of the year				
Balance at beginning of the year	22,530,025	22.53	22,530,025	22.53
Add: Equity Shares allotted		-		-
Balance at the end of the year	22,530,025	22.53	22,530,025	22.53

14.2 Right, Preferences and restrictions attached to shares :

The Company has only one class of Equity Shares having a par value of ₹10/- per share. Each share holder is entitle for one vote per share. In the event of liquidation, the equity share holders are entitle to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

14.3 Details of shares held by each shareholders holding more than 5% shares

	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	% holding	Number of Shares	% holding
Valecha Investment Pvt. Ltd.	4,003,745	17.77	4,003,745	17.77
Suman Aggarwal	2,928,504	13.00	2,928,504	13.00
Hypnos Fund Limited	2,000,000	8.88	2,000,000	8.88

	As at March 31, 2021	As at March 31, 2020
15 Other Equity		
15.1 Securities Premium	111.24	111.24
15.2 General Reserve	43.90	43.90
15.3 Retained Earnings	(139.30)	(140.85)
15.4 OCI - Fair Value of Financial Instruments	(4.64)	(4.64)
15.5 OCI - Re-measurement of defined benefit plans	(0.16)	(0.26)
15.6 Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	2.60	3.08
Total	13.64	12.47

Nature of Reserves
(i) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

(iii) OCI - Fair Value of Financial Instrument

The company recognised resultant impact of fair valuation on financial assets and liabilities.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

Particulars	As at March 31, 2021	As at March 31, 2020
16 Non Current Borrowings		
Unsecured		
Related Parties	27.78	24.15
Others	3.00	3.00
Total	30.78	27.15

16.1 Term of Repayment & Security details of Borrowings

Repayment tenure & Security nature	Last installment Date	Rate of Interest	Amount outstanding As at	
			March 31, 2021	March 31, 2020
1 Repayable in 9 quarterly installments, secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive & first charge over Escrow A/c & project specific Current Assets.	Mar-16	11.70%	49.02	49.02
2 Corporate Loan Repayable in 10 Quarterly Instalments, secured by exclusive charge on the specific immovable property along with the subservient charge on movable fixed assets & current assets.	Dec-16	13.10%	15.56	15.56
3 Term Loan Repayable in 6 quarterly installments is secured by first & exclusive charge on the project receivables for EPC from Rapti Nhar Nirman Mandal-II Irrigation Depart, Basti, Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Aug-17	12.25%	77.87	77.87
4 Repayable in 18 quarterly installments, secured by first & exclusive charge on the specific immovable property & JSL & VIL Shares	Sep-20	12.15%	8.56	8.56
5 Repayable in 60 monthly installments, secured by exclusive charge on the specific Machineries	Sep-20	14.00%	27.80	27.80

16.2 The Company has defaulted in repayment of loans and interest in respect of the following

Particulars	Period of Default	Amount of Default (As at March 31, 2021)		
		Principal	Interest	Total
Term Loan				
Central Bank of India	2009 Days	35.98	13.04	49.02
Syndicate Bank	1916 Days	58.16	19.71	77.87
Yes Bank	1398 Days	6.90	1.65	8.55
State Bank of Bikaner & Jaipur (SBI)	1825 Days	12.08	3.47	15.55
Machinery Loan				
SREI Equipment Finance Ltd	1460 Days	17.52	10.28	27.80
Fixed Deposits from Public	2403 Days	22.80	-	22.80
Total		153.44	48.15	201.59

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

Particulars		As at March 31, 2021	As at March 31, 2020
17	Other Non Current Financial Liabilities		
	Advance from Contractees - Related Parties	42.31	41.90
	Amount Withheld and Retention from sub-contractors	34.15	56.08
	Security Deposits	0.51	3.10
		76.97	101.08
18	Provisions		
	-Provision for Gratuity	0.15	0.12
		0.15	0.12
19	Current Borrowings		
	Secured		
	- From Banks		
	Working Capital Loans - Cash Credit Limits**	246.14	246.48
	Short Term Facilities	54.53	53.84
	Unsecured		
	- From Others		
	Short Term Loans	17.06	17.06
	Total	317.73	317.38

****Note :** Secured by

Primary Security: Pari passu charge on stock and outstanding book debts of the company

Collateral Security: EM on office premises at 4th Floor and part of 3rd floor of Valecha chambers, New Link Road, Oshiwara, Andheri West.

Paripassu charge on entire plant and machinery of the Company

Personal guarantees of Mr. J K Valecha, Mr. D H Valecha and Mr. U H Valecha

19.1 The Company has defaulted in repayment of working capital facilities in respect of the following :

Particulars	Period of Default	Amount of Default (As at March31, 2021)		
		Principal	Interest	Total
Working Capital Facilities				
State Bank of India	1827 Days	193.70	42.08	235.78
Axis Bank Ltd	1836 Days	72.54	20.83	93.37
Canara Bank	1996 Days	21.19	1.93	23.12
DBS Bank India Ltd.	1186 Days	30.30	0.00	30.30
Total		317.73	64.84	382.57

		As at March 31, 2021	As at March 31, 2020
20	Trade Payables		
	Dues to Micro, Small and Medium Enterprises	1.93	2.69
	Dues to Creditors other than Micro, Small and Medium Enterprises	92.50	114.41
	Total	94.43	117.10

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

20.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under :

Particulars	As at March 31, 2021	As at March 31, 2020
a. Principal amount remaining unpaid	1.93	2.69
b. Interest due thereon remaining unpaid	1.86	0.73
c. Interest paid	-	-
d. Payment made beyond the appointed day during the year	-	-
e. Interest due and payable for the period of delay	-	-
f. Interest accrued and remaining unpaid	-	-
g. Amount of further interest remaining due and payable in succeeding years	-	-
	3.79	3.42

20.2 The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given subject to amount mentioned in above table.

	As at March 31, 2021	As at March 31, 2020
21 Other Current Financial Liabilities		
Current maturities of Long Term Borrowings (Refer note 16.1, 16.2)	130.65	130.65
Current Maturities of lease liabilities	-	0.09
Current Maturities of Fixed Deposits (Refer note 16.2)	22.80	30.73
Interest Accrued and Due on Borrowings (Refer note 16.2, 19.1)	112.99	117.53
Unclaimed Dividends	0.03	0.05
Others	-	0.13
Total	266.47	279.18
22 Other Current Liabilities		
Statutory Dues	4.21	6.43
Advance from Contractees	0.60	10.59
Total	4.81	17.02
23 Provisions		
Provision for Employee Benefits		
-Gratuity	0.76	1.58
-Bonus	0.10	0.10
Total	0.86	1.68

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
24 Revenue from Operations		
Income from Contract and Services	218.63	207.89
Total	218.63	207.89
25 Other Income		
Interest Income :		
Interest on Fixed Deposits	0.93	1.45
Interest from Others	2.63	2.09
	3.56	3.54
Lease Rental Income	1.38	1.40
Sundry balances written back	-	0.67
Excess Provision of earlier years written back	0.28	-
Profit on Sale of Fixed Assets	0.04	-
Dividend Received	0.00	-
Miscellaneous Income	0.06	0.09
	5.32	5.70

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
26 Construction Expenses		
Materials Purchase	15.78	11.07
Sub-Contracting Expenses	157.92	171.96
Power and Fuel	1.20	1.69
Repairs, Rent & Maintenances to Plant & Machineries and Vehicles	0.92	1.50
Site Expenses	12.02	9.62
Total	187.84	195.84
27 Changes in Inventories		
Opening Stock	0.51	1.23
Less: Closing Stock	1.12	0.51
	(0.61)	0.72
28 Employee Benefits Expenses		
Salaries, Wages, and Bonus	4.75	5.34
Contribution to Provident Fund, Gratuity and other funds	0.32	2.35
Welfare Expenses	0.25	0.06
	5.32	7.75
29 Finance Cost		
Interest Expenses		
-Banks	-	-
-Others	0.59	0.83
Interest Component of Lease Liability	0.01	0.01
Interest cost on security deposits	0.02	0.06
Other Borrowing Cost	0.14	0.37
	0.76	1.27
30 Other Expenses		
Rates and taxes	0.01	0.03
Printing and stationery	0.03	0.04
Telephone and Postage	0.06	0.09
Traveling and conveyance	0.27	0.39
Electricity charges	0.06	0.10
Professional Fees	2.03	1.73
Repairs and Maintenance - Buildings	0.66	0.30
Repairs and Maintenance - Plant and Machinery	0.15	0.25
Repairs and Maintenance - Others	0.06	0.04
Bank charges	0.02	0.02
Payments to Auditor (Refer note below)	0.12	0.12
Provision for diminution in the value of Investment	0.05	-
Provision for Doubtful Debts and Advances	0.78	-
Sundry balances written off (Refer note no.53)	17.79	-
Miscellaneous Expenses	0.25	0.63
Total	22.34	3.74

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
30.1 Auditors Remunerations		
Audit Fees	0.11	0.11
Certification and Other Services including Service Tax and Goods and Service Tax	0.01	0.01
Total	0.12	0.12
31 Exceptional Items (Net)		
Loss on sale of Investment in Property	1.84	-
Impairment/ discard of Plant and Machinerics	4.02	0.50
	5.86	0.50

32 Earnings per Share

Particulars	2020-21	2019-20
Profit attributable to Equity Shareholders (Rs. in crores)	1.54	1.65
Weighted average Number of shares for Basic EPS (Numbers)	22,530,025	22,530,025
Weighted average Number of shares for Diluted EPS (Numbers)	22,530,025	22,530,025
Face Value of each Equity Share (in Rs.)	10.00	10.00
Basic & Diluted earning per Share (in Rs.)	0.68	0.74
*The Company has no dilutive instruments. As such Diluted Earnings per share equals to Basic Earnings per share.		

33 Contingent Liabilities

Contingent Liabilities are not provided for and are as below :

Particulars	2020-21	2019-20
1 Outstanding Bank Guarantee	60.15	60.15
2 Dispute with Suppliers	3.01	3.01
3 Corporate Guarantees	1,212.95	1,052.19
4 Late payment and over limit charges on credit card dues	5.89	5.89

34 Segment Reporting

The company operates in a single reportable segment i.e. Construction Activity, which have similar risks and returns for the purpose of Ind AS 108 on 'Operating segments'.

The company operates in a single geographical segment i.e. domestic.

35 CSR Expenditure

Corporate Social Responsibility (CSR) - In view of insufficient profits during the current and previous year, expenditure on CSR is not applicable for current and previous financial year.

36 Related Party Disclosures

Disclosure as required by the Indian Accounting Standard (Ind AS)24 " Related Party Disclosures " are given below :

List of Related Parties with whom transactions have taken place

Relationship	Name of Related Parties
Subsidiary Companies	Valecha Infrastructure Ltd. Valecha International (FZE) Professional Realtors Pvt. Ltd. Valecha Kachchh Toll Roads Ltd.
Step-Down Subsidiary Companies	Valecha Badwani Sendhawa Toll Ways Ltd.
Associate Companies	Valecha Reality Ltd. Aryavrat Tollways Pvt. Ltd.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021
(Rs. In Crores)

Enterprises where KMPs have significant influence	Gopaldas Vasudev Construction Pvt. Ltd. Valecha Power Ltd.
Enterprises having significant influence over the Company	Valecha Investment Private Limited
Joint Ventures	Valecha - ECCI (JV) Valecha - SGCCL (JV) Valecha - Transtonnelstroy (JV) Valecha - VKJ (JV) Valecha - SDPL JV Bitcon-VUBEPL-GCC-Valecha (JV) Valecha Shraddha (JV) Valecha Atcon (JV) Valecha - Matere (JV) Valecha - CSR (JV) Valecha - TTC (JV)
Key Management Personnel (KMP)	
Independent Director	S N Kavi
Independent Director	Tejas Deshpande
Non-Executive Director	Lalna Takekar
Chief Executive Officer	Tarun Dutta
Company Secretary & Legal	Vijay Kumar H. Modi
Chief Financial Officer	Anil S. Korpe

Note:

Related party relationship is as identified by the Company and relied upon by the Auditor.

37 Details of Transactions with Related Parties.
i. Transactions with Subsidiary Companies

Particulars	2020-21	2019-20
a. Sales	9.08	9.13
b. Deposit / Loans / Repayment received during the year	0.85	0.39
c. Deposit / Loans given / Repaid during the year	0.28	1.72
d. Outstanding Balance - Trade Receivable	2.02	1.97
e. Outstanding Balance - Loan given	254.19	285.68
f. Outstanding Balance - Amount Payable	42.31	41.90

ii. Transactions with Associate Companies / Enterprises over which KMPs having significant influence / Enterprises having significant influence over the Company

Particulars	2020-21	2019-20
a. Deposit / Loans / Repayment received during the year/ Adjustment	17.79	4.09
b. Deposit / Loans given / Repaid during the year/ Adjustment	14.38	10.03
c. Outstanding Balance - Amount Payable	27.78	24.15
d. Outstanding Balance - Amount Receivable	6.78	6.57

iii. Transactions with Joint Ventures

Particulars	2020-21	2019-20
a. Sales	46.40	62.03
b. Outstanding Balance - Amount Receivables	15.57	8.90

Particulars	2020-21	2019-20
Remuneration paid during the year	1.02	0.85
Sitting Fees	0.03	0.08

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

Disclosure required by schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013

A. Loans Given**i. Loans Given to Subsidiary Companies**

	2020-21		2019-20	
	As at year end	Maximum balance during year	As at year end	Maximum balance during year
Valecha Infrastructure Ltd.	152.43	152.43	152.43	152.43
Valecha International (FZE)	22.86	22.86	23.33	23.33
Professional Realtors Pvt. Ltd.	0.24	0.24	0.24	0.24
Valecha Kachchh Toll Roads Ltd.	73.46	73.46	73.46	73.46
Valecha LM Toll Pvt. Ltd.	-	-	30.92	30.92
Valecha Badwani Sendhawa Toll Ways Ltd.	5.20	5.20	5.30	5.30
Total	254.19	254.19	285.68	285.68

ii. Loans Given to Associate Companies / Enterprises over which KMPs having significant influence and Enterprises having significant influence over the Company

	2020-21		2019-20	
	As at year end	Maximum balance during year	As at year end	Maximum balance during year
Valecha Investment Pvt. Ltd.	6.48	6.48	6.28	6.28
Valecha Power Ltd.	0.01	0.01	0.01	0.01
Valecha Reality Ltd.	0.28	0.28	0.28	0.28
Total	6.78	6.78	6.57	6.57

All above loans have been given for business purpose

B. Investments are shown under respective head. (Refer Note no.4)**C. Corporate Guarantees given**

Name of the Company	2020-21	2019-20
Valecha LM Toll Pvt. Ltd.	277.83	248.21
Valecha Badwani Sendhawa Toll Ways Ltd.	39.33	45.57
Valecha Kachchh Toll Roads Ltd.	777.15	670.84
Valecha Infrastructure Ltd.	118.63	87.57
Total	1,212.95	1,052.19

38 Employee Benefits

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

A. Defined Contribution Plan

Contribution to Defined Contribution Plan includes Provident Fund. The expenses recognised for the year are as under :

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund	0.17	0.13
Employer's Contribution to Employee's state Insurance	0.00	0.00
Employer's Contribution to Pension Fund	0.03	0.07

B. Defined Benefit Plan**Gratuity:**

In accordance with the payment of Gratuity Act 1972 the company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India (LIC) and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021
(Rs. In Crores)

Major category of plan assets

The group has taken plans from Life Insurance Corporation of India

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Financial Statements as at 31 March 2021 and 31 March 2020.

Particulars	2020-21	2019-20
i Changes in present value of obligations		
Present value of obligations as at the beginning of year	1.00	1.32
Interest cost	0.07	0.10
Current Service Cost	0.08	0.05
Past Service Cost	-	-
Benefits Paid	-	(0.44)
Actuarial gain on obligations	(0.10)	(0.03)
Present value of obligations as at the end of year	1.05	1.00
ii Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of year	0.49	0.13
Expected return on plan assets	0.00	0.01
Contributions	0.13	0.31
Benefits paid	0.08	0.05
Actuarial gain on Plan assets	(0.00)	(0.00)
Fair value of plan assets at the end of year	0.69	0.49
iii Change in the present value of the defined benefit obligation and fair value of plan assets		
Present value of obligations as at the end of the year	(1.05)	(1.00)
Fair value of plan assets as at the end of the year	0.69	0.49
Net (liability) / asset recognized in balance sheet	(0.35)	(0.51)

Amount recognised in the statement of profit and loss under employee benefit expenses.

Particulars	2020-21	2019-20
Expenses Recognised in statement of Profit & Loss		
Current Service cost	0.08	0.05
Interest Cost	0.07	0.09
Expected return on plan assets	-	-
Net Actuarial gain recognised in the year	-	-
Expenses recognised in statement of Profit & Loss Account	0.14	0.14

Amount recognised in the statement of other comprehensive income (OCI).

Particulars	2020-21	2019-20
Actuarial Gain/Loss recognized		
Actuarial (gain)/losses on obligation for the year	(0.10)	(0.03)
Return on Plan Asset, excluding Interest Income	0.00	0.00
Change in Asset ceiling	-	-
Net (Income)/Expense for the period recognized in OCI	(0.09)	(0.03)

Principal actuarial assumptions at the Balance Sheet date

Particulars	2020-21	2019-20
Expected Return on Plan Assets	6.82%	6.84%
Rate of discounting	6.82%	6.84%
Rate of Salary Increase	8.00%	8.00%
Rate of employee turnover	3.00%	3.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality Rate after employment	N.A.	N.A.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

39 Deferred taxes not recognised

In absence of reasonable certainty, the Company has not recognised Deferred Tax Assets to the extent mentioned below in the table.

Particulars	As at	
	March 31, 2021	March 31, 2020
Deferred Tax Assets / (Liabilities) in relation to :		
Carried Forward Losses	29.56	28.72
Property, plant and equipment/Investment Property	2.98	2.06
Total	32.54	30.78

40 Capital management**Risk Management**

The objectives when managing capital are to safeguard the ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The management sets the amounts of capital required in proportion to risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and risk characteristics of the underlying assets.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

Particulars	As at	
	March 31, 2021	March 31, 2020
Borrowing	614.95	623.44
Total equity	36.17	35.00
Total Capital (Borrowing and Equity)	651.12	658.44
Gearing Ratio	17.00%	17.81%

- (i) Borrowings represents total borrowings (non-current & current).
(ii) Equity comprises of all components including other comprehensive income.

41 Financial Risk Management

A wide range of risks may affect the Company's business and financial results. Amongst other risks that could have significant influence on the Company are market risk, credit risk and liquidity risk.

The Board of Directors of the Company manage and review the affairs of the Company by setting up short term and long-term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

41.1 Market risk

The Company is primarily exposed to the following market risks.

41.1.1 Interest rate risk management

Out of total borrowings, large portion represents current borrowings and all the borrowings are with fixed interest rate. And accordingly the Company is not exposed to interest rate risk. However, the Company continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

41.1.2 Price Risk

The company is constantly exposed to market inflation risk. The price of direct cost and overhead projected before execution of project are substainally increased till the completion of project. However company is eligible to claim price escalation amount from the client as per the terms and condition mentioned in tender document which varies for tender to tender.

41.2 Credit management

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from clients and cash. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The Company has a low credit risk in respect of its trade receivables, its major customers being autonomous agencies of Government and Public Sector Undertakings. However, as Company grows its customer base, it will experience an increased credit risk environment. The Company is also exposed to credit risk in respect of its cash and seeks to minimise this risk by holding funds on deposit with major financial institutions.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021
(Rs. In Crores)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 667.04 crores (₹ 714.08 crores for March 31, 2020) being the total of the carrying amount of the balances with banks, bank deposits, investments (excluding equity investments), trade receivables, loans given and other financial assets.

41.3 Liquidity risk management

Liquidity risk refers to the risk that the Company may not be able to meet its financial obligations timely.

Management monitors rolling forecasts of the Company's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The table below analyses the maturity profile of the Company's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date. The liquidity continues to remain under stress. The Company is going through a very tight liquidity situation resulting in sub-optimal level of operations thereby impacting profitability. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	2020-21			2019-20		
	Less than 1 year	Between 1 and 5 years	Total	Less than 1 year	Between 1 and 5 years	Total
a. Borrowings	584.17	30.78	614.95	596.29	27.15	623.44
b. Trade Payables	94.43	-	94.43	117.10	-	117.10
c. Other Financial Liabilities	0.03	76.97	77.00	0.18	101.08	101.26
Total	678.63	107.75	786.38	713.57	128.23	841.80

41.4 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"
41.4.1 Category-wise classification for applicable financial assets:

Particulars	Note	As at	As at
		31-Mar-21	31-Mar-20
Measured at fair value through Other Comprehensive Income (FVTOCI) (Level 3)			
Investment in equity shares	4	0.05	0.05
Measured at amortised cost: (All Level 3)			
Security Deposits - Non Current	5	41.42	41.52
Security Deposits - Current	8	58.75	65.12
Loans	11	379.04	431.88
Trade receivables	8	158.26	170.86
Total		637.52	709.42

41.4.2 Category-wise classification for applicable financial liabilities:

Particulars	Note	As at	As at
		31-Mar-21	31-Mar-20
Measured at amortised cost: (All Level 3)			
Borrowings - Non current	16	30.78	27.08
Borrowings - Current (Short Term)	19	317.73	317.38
Borrowings - Current maturities of long term borrowings & fixed deposits	21	266.44	278.91
Trade payables	20	81.23	101.85
Retention money from Sub-contractors	20	13.20	15.25
Measured at fair value through Other Comprehensive Income (FVTOCI)		-	-
Total		709.38	740.47

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021**(Rs. In Crores)**

- 42** 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 Rs.2.15 crores in three subsidiary companies and Rs.0.02 crore in one associate company, loans and advances given Rs.180.72 crores to three subsidiary companies and one step-down subsidiary company, and extended Corporate Guarantees aggregating to Rs.157.96 crores to its one Subsidiary company and one Step-down Subsidiary company whose net-worth is completely eroded on account of continued losses incurred in the past.

In view of the primary security already provided by the Subsidiaries and step-down subsidiary company and the Settlement proposals being pursued by the Management of the Holding Company, the Company has not provided for any further liability towards Impairment of above referred Loans & Advances and Investment in Subsidiaries nor has made any fair valuation of its Corporate guarantees issued without consideration as per the requirements of Ind AS 109 & Ind AS 113, for the reasons mentioned above.

- 43** The Company has neither evaluated any impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" nor made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect of its Investment made of Rs. 39.84 crores, loan given of Rs. 73.46 crores, and Corporate Guarantees extended of Rs. 777.15 crores as at March 31, 2021 in respect of its one subsidiary (other than subsidiary referred in note 42 above). The net-worth of the subsidiary is completely eroded and it continues to incur losses. The Subsidiary Company has filed a claim on its customer for Rs. 1373.70 crores and expects to realize the same and consequently repay/settle all dues. Accordingly, in the opinion of the Management, there is no need for any impairment provisions for ECL or fair valuation in respect of its Investments, loans given and Corporate Guarantees extended to the referred subsidiary (other than those mentioned in note 42 above).

- 44** Valecha LM Toll Private Limited (VLMTPL), a step down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL) was admitted to National Company Law Tribunal (NCLT) on 29.03.2019. Subsequently, VLMTPL has also been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. Subsequent to the Balance Sheet Date, during the liquidation proceedings, the substantial asset of VLMTPL being the Toll Collection Rights has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. The remaining assets in VLMTPL are of insubstantial value and the Holding Company do not see any chances of recovery of its loan amount. The Holding Company has therefore impaired the entire value of its loan to VLMTPL of Rs. 31.13 crores. VIL has also written off its Investments in VLMTPL.

The Company has also provided Corporate Guarantees to secured financial creditors to the extent of outstanding dues of Rs. 277.83 crores on behalf of VLMTPL which have not been evaluated for impairment provisioning in view of the same not yet being invoked.

- 45** The Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 217.01 crores which includes Rs. 100.34 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 booked their claims on conservative basis and management believe that they have strong case for each of the claims lodged against the client. Accordingly, in the opinion of the Management, there is no need to account for expected credit losses. 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. 6.78 crores, loans given to other than related parties amounting to Rs. 117.38 crores and advances to suppliers amounting to Rs. 44.10 crores as at March 31, 2021 as it expects to recover the same in the time to come and hence has not made any provision for the same.

- 46** The Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification. In view of the Settlement / restructuring of its overall debt being pursued by the Management, it expects reliefs and concessions from various lenders out of the existing liabilities / obligations towards such lenders recorded in its books and has accordingly not provided for any interest liability post March 31, 2018.

Presently, the Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2021 and on outstanding payments to its Vendors registered under MSME.

- 47** The Company has during the year recognized a Sale of Investment Property which as per the documents now received was originally effected in September 2017, however due to unavailability of relevant documents, the Company did not record the transaction in prior periods. During the current quarter, the Company have come into possession of the said Sale agreement through an advocate and have accordingly recorded the said sale transaction in the current quarter. Loss on recording of such sale transaction has been grouped under exceptional items.

- 48** The Company has an outstanding principal liability of Rs. 22.80 crores as at March 31, 2021 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. Pursuant to the NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and in terms of NCLAT order dated 12.02.2020 the matter has since been adjudged. As per these orders, the proceeds from Canara Bank and refunds from Income Tax department will be utilized for repayment of deposits to deposit holders. The Company has during the year paid some deposit holders out of the Income Tax refund received during the year and is in the process of repayment of balance deposit holders based on the availability of proceeds from Canara Bank.

- 49** Other Current Assets as at March 31, 2021 includes Rs 34.28 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. The Management is confident of ultimate recovery of such amounts.

- 50** The Company has sixteen 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 and year ended March 31, 2021. Movement in accounts of such project sites, if any, is on account of balances being written off/written back and payments / receipts being made by the Head Office division in relation to assets / liabilities of such project sites. Such Project Sites comprises total assets of Rs. 92.00 crores [including Trade Receivables Rs. 78.59 crores and loans to

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2021

(Rs. In Crores)

other parties Rs. 4.36 crores referred in note no. 46 above, balances with revenue authorities of Rs. 7.32 crores referred in note no. 49 above and total liabilities of Rs. 40.33 crores as at 31st March, 2021.

- 51** The Company has certain in-operative Bank accounts, which have turned dormant on account of closure of sites, changes in signatories etc. The Company is unable to obtain the statements of such inoperative and dormant bank accounts.
- 52** 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.
- 53** The Company has during the year ended 31st March, 2021, identified certain non-moving balances which in the view of Management, are not recoverable and / or payable. The aggregate of such non-moving non-recoverable balances is Rs.59.60 crores and aggregate of such non-moving non-payable balances is Rs.41.81 crores. These balances have been netted and a net expense of Rs.17.79 crores has been recorded as "Sundry balances written off".
- 54** There are various Legal cases filed by/ against the company. Since the cases are ongoing and the management believes that they have a strong case. The Company do not foresee any material impacts on the financial statement of the Company.
- 55** On 29/09/2018, the shareholders accorded their approval for the waiver of recovery of excess managerial remuneration in respect of three Directors of the Company. The Company is taking necessary actions and steps for approval from Secured Lenders pursuant to the Notification dated 12/09/2018 issued by Ministry of Corporate Affairs on the subject. The Company is hopeful of getting requisite approval from the secured lenders upon settlement proposal approved by them.
- 56** The Company has during the year ended March 31, 2021, undertook an extensive physical verification of its fixed assets across various locations (including its ongoing project sites). During the course of such verification, the Company have not been able to trace and identify certain assets which were either discarded from active use owing to the expiry of their useful life or have been appropriated by the Contractors at the closed sites due to non-payment of their dues. Accordingly, the Company have impaired such fixed assets at their carrying value as at December 31, 2020 aggregating to Rs. 4.02 crores and have grouped the same under exceptional items.
- 57** During the year ended March 31, 2021, the Company's appeals against the winding up orders dated 01.03.2018 and 26.04.2018 passed by the Hon'ble High Court were dismissed by the Hon'ble High Court vide orders dated 05.03.2021 and 09.03.2021. Pursuant to the dismissal of the said Appeals the Company preferred a Special Leave Petition bearing No. SLP (Civil) Diary No.71031 of 2021 before the Hon'ble Supreme Court, which eventually was also dismissed by the Hon'ble Supreme Court vide Order dated 30.04.2021. However, the said order dated 30.04.2021 also granted liberty to the Company to present a formal petition/application and present a scheme of settlement. One of the shareholders of the Company, Valecha Investments Private Limited, holding 17.77% of the total equity shares, propounded a scheme of arrangement / compromise in pursuance of the liberty granted by the Supreme Court of India. They also filed Company Summons for Directions (L) No. 25113 of 2021 seeking appropriate orders to call for meetings of stakeholders to vote on the scheme. The Company's Lead Banker State Bank of India moved an application to transfer the matter to National Company Law Tribunal (NCLT) as the Company is a construction and infrastructure development company and is a going concern. Accordingly, the Hon'ble High Court vide order dated 17.12.21 passed an order directing the transfer of the Company Petition No. 761/2015 and Company Petition No. 173/2016 to NCLT.
- 58** The accumulated losses incurred in the past years have resulted in erosion of Company's Net worth. However, the management is of the opinion that subject to approval of settlement proposals with secured lenders, cost reduction measures and participation in new business finance/ JV business, the Company will be able to earn profit over next few years and may be in position to repay restructured loans and pay statutory dues. Hence, the financial results are prepared assuming that it will continue as going concern.
- 59** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.
- 60** 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.

In term of our Report attached
For Bagaria & Co. LLP
 Chartered Accountants
 FRN : 113447W/ W-100019

For and on behalf of the Board

Tarun Dutta
 Chief Executive Officer

S N Kavi
 Director
 DIN : 05124904

Tejas Deshpande
 Director
 DIN : 01942507

Vinay Somani
 Partner

Membership No. 143503

Place : Mumbai.

Date : 04th February, 2022

Vijay Kumar H. Modi
 Company Secretary & Legal
 M.No. FCS 1831

Lalna B. Takekar
 Director
 DIN : 08111805

Anil S. Korpe
 Chief Financial Officer

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries (As on / for the period / year ended March 31, 2021)

(Rupees in Crores)

Sr. No.	Particulars	Valecha Infrastructure Ltd	Valecha Badwani Sendhwa Tollways Ltd	Valecha Kachchh Toll Road Ltd	Valecha International FZE	Professional Realtors Pvt Ltd.
1	Reporting Currency	INR	INR	INR	INR	INR
2	Share Capital	0.05	5.00	68.50	0.30	0.01
3	Reserves	(202.61)	(15.30)	(608.58)	-	(0.25)
4	Total assets	54.22	40.48	384.57	23.52	0.00
5	Total Liabilities	256.78	50.78	924.65	23.22	0.24
6	Investment except in the case of investment in subsidiary	-	-	-	-	-
7	Revenue from Operations	-	12.97	9.50	-	-
8	Other Income	0.04	-	0.00	-	-
9	Profit/(Loss) before Taxation	(64.07)	(4.26)	(124.02)	-	(0.00)
10	Provision for tax - (Current Tax)	-	-	-	-	-
11	Provision for tax - (Deferred Tax)	-	-	-	-	-
12	Profit/(Loss) after Tax	(64.07)	(4.26)	(124.02)	-	(0.00)
13	% of Share holding	100%	74%	58%	100%	100%

Notes

- 1 Please refer to consolidated financial statements and notes appearing there on.
- 2 Investment in Valecha international FZE 1,50,000 AED. 1 AED= INR 19.9335 as on 31.03.2021
- 3 The members if they desire, may write to the company at the Registered Office situated at Valecha Chambers, 4th floor, Andheri New Link Road, Andheri (W), Mumbai-53 to obtain a copy of the financials of its subsidiary companies.
- 4 The annual accounts of the subsidiary companies can be inspect by the member at the Registered Office of the Company.

Independent Auditor's Report

To The Members of Valecha Engineering Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Valecha Engineering Limited ("the Holding Company") and its Five Subsidiaries (including one step down subsidiary), one associate (the Holding Company, its subsidiaries and its associate together referred to as "The Group"), which comprises of Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary as were audited by the other auditors, and except for the effects/ possible effects, if any, of the matters described in the "Basis for Qualified Opinion" paragraphs of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2021, its consolidated loss, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to:

- Note No. 46 to the Consolidated Financial Statements, Valecha LM Toll Private Limited (VLMTPL), a step-down subsidiary of the Holding Company and subsidiary of Valecha Infrastructure Limited (VIL) was admitted to National Company Law Tribunal (NCLT) on 29.03.2019. Subsequently, VLMTPL has also been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. Subsequent to the Balance Sheet Date, during the liquidation proceedings, the substantial asset of VLMTPL being the Toll Collection Rights has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL.

The Holding Company have provided Corporate Guarantees of Rs. 277.83 crores on behalf of VLMTPL which have not been evaluated for impairment provisioning in view of the same not yet being invoked.

In the absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from the Settlement proposals being pursued by the Group, we are unable to comment upon the resultant impact, if any, on the consolidated financial statements which may arise on account of non-provision of impairment towards Corporate Guarantees as referred above.

- The Consolidated financial statements 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 absence of detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued, we are unable to comment upon the resultant impact, if any, on the consolidated financial statements, which may arise on account of non-provision of impairment on goodwill as referred above.
- Note No. 47 to the Consolidated Financial Statements, the Holding Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 217.01 crores which includes Rs. 100.34 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under arbitration 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 subsidiary and associate company) amounting to Rs. 6.78 crores, loans given to other than related parties amounting to Rs. 117.38 crores and advances to suppliers amounting to Rs. 44.10 crores as at March 31, 2021.

In absence of any detailed information regarding the recoverability of such loans, 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 consolidated financial statements.

- Note No. 48 to the Consolidated Financial Statements, wherein the Holding Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA. In view of the proposed Settlement proposals being pursued by the Management with its lenders, the Management expects reliefs and concessions from various lenders and accordingly has not provided for any further interest liability in relation to its outstanding debts. The Holding Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source and on outstanding payments to Vendors registered under MSME as on March 31, 2021.

In the absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued, we are unable to comment upon the resultant impact, if any, on the consolidated financial statements, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.

- Note No. 49 to the Consolidated Financial Statements, the Holding Company has an outstanding principal liability of Rs. 22.80 crores as at March 31, 2021 payable to public fixed deposit holders. In view of its already weak financial position, the Holding Company has not made any provision of interest on these outstanding fixed deposits.

In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the consolidated financial statements.

- Note No. 50 to the Consolidated Financial Statements, where the Holding Company has stated that Other Current Assets as at March 31, 2021 includes Rs 34.28 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. However, in

view of unavailability of updated information on status of such assessments, we are unable to comment upon the resultant impact, if any on the consolidated financial statements.

7. Note No. 51 to the Consolidated Financial Statements, where the Holding Company in relation to its sixteen project sites, which have either been de-mobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the year. Movement in accounts of such project sites, if any, is on account of balances being written off and/or written back and payments and/or receipts being identified and/or made by the Head Office division in relation to assets and/or liabilities of such project sites.

Such Project Sites comprises total assets of Rs. 92.00 crores [including Trade Receivables Rs. 78.59 crores and loans to other parties Rs. 4.36 crores referred in point 3 above, balances with revenue authorities of Rs. 7.32 crores referred in point 6 above] and total liabilities of Rs. 41.49 crores as at March 31, 2021. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on the consolidated financial statements had the said units been reviewed by us.

8. Note no 52 to the Consolidated Financial Statements, the Holding Company has certain in-operative Bank accounts, which have turned dormant on account of multiple reasons such as closure of sites, changes in signatories etc. The Holding Company is unable to obtain the statements of such inoperative and dormant bank accounts

In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the consolidated financial statements.

9. Note No. 53 to the Consolidated Financial Statements, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities of the Holding Company are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the consolidated financial statements the amounts whereof are presently not ascertainable.

10. Note No. 54 to the Consolidated Financial Statements, 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 consolidated financial statements, the amounts whereof are presently not ascertainable.

11. We draw attention to Note No 55 to the Consolidated Financial Statements, Valecha Reality Limited (VRL), (an Associate Company) has given a loan amounting to Rs.6.51 crores to M/s SVK Arcade LLP which is long outstanding in the Books of Accounts. VRL is not recognizing and receiving any interest on such loans neither has it made any provision for the loan amount outstanding. Further, the Company VRL has received loans from Valecha Engineering Limited and Valecha Infrastructure Limited to the tune of Rs 0.28 crores and Rs 6.52 crores respectively. Valecha Engineering Limited has not recovered any interest in view of already weak financial position of VRL. Similarly, VIL has also not recovered any interest amount from VRL in view of already weak financial position of VRL.

The matters stated above except point 1 & 8 above were also subject matter of qualification in our audit opinion on the consolidated financial statements for the year ended March 31, 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern:

We draw attention to Note No. 48, Note No. 61 & Note No. 62 to the Consolidated Financial Statements which indicates that the Holding Company has defaulted in repayment of various borrowings and deposits, has been referred to NCLT for the Corporate Insolvency Resolution Process pending initiation and has accumulated losses and its net worth has been substantially eroded. These conditions, along with other matters set forth in Note No. 48, Note No 61 & Note No. 62, 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 statements of the Group have been prepared on a going concern basis for the reasons stated in the Note No. 62 to the Consolidated Financial Statements.

We draw attention to Note no 56 to the Consolidated Financial Statements in respect of Valecha Kachchh Toll Roads Limited (VKTRL) (a Subsidiary Company) wherein the other auditors had stated in their review report that:

- the Company (VKTRL) continues to prepare its Consolidated Statement on going concern basis even though it has continued to incur significant losses for the quarter and year ended March 31, 2021 and in previous financial years. It has also continued to default in repayment of its financial obligation including interest and the construction of balance work is going at very slow pace, resulting in increase in cost of project mainly due to interest during construction period. However, as advised, the project had been halted due to non-availability of land and environment issues and on 13.05.2015, VKTRL has received PCOD (provisional commercial operation date) for section I for which revenue is being generated. PCOD for Section II is likely to be completed by March 2022. VKTRL has also put a claim of Rs. 1373.70 Crores on GSRDC calculated till March 2020 and is hopeful of realizing the same.

Emphasis of Matter

We draw attention to:

- a. Note No. 46 to the Consolidated Financial Statements, Valecha LM Toll Private Limited (VLMTPL), a step-down subsidiary of the Holding Company and subsidiary of Valecha Infrastructure Limited (VIL) was admitted to National Company Law Tribunal (NCLT) on 29.03.2019. Subsequently, VLMTPL has also been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. Subsequent to the Balance Sheet Date, during the liquidation proceedings, the substantial asset of VLMTPL being the Toll Collection Rights has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. Accordingly, in view of insubstantial value of remaining assets in VLMTPL, the Holding Company do not see any chances of recovery of its loan amount. The Holding Company has therefore impaired the entire value of its loan to VLMTPL of Rs. 31.13 crores.

- b. Note No. 57 to the Consolidated Financial Statements, the Holding Company has during the year recognized a Sale of Investment Property, which as per the documents now received was originally effected in September 2017, however due to unavailability of relevant documents, the Holding Company did not record the transaction in earlier periods. During the current year, the Holding Company has come into possession of the said Sale agreement through an advocate and have accordingly recorded the said sale transaction in the current year. Loss on recording of such sale transaction has been grouped under exceptional items.
- c. Note No. 58 to the Consolidated Financial Statements, on 29/09/2018, the shareholders accorded their approval for the waiver of recovery of excess managerial remuneration in respect of three Directors of the Holding Company. The Holding Company is taking necessary actions and steps for approval from Secured Lenders pursuant to the Notification dated 12/09/2018 issued by Ministry of Corporate Affairs on the subject. The Holding Company is hopeful of getting requisite approval from the secured lenders upon settlement proposal approved by them.
- d. Note No. 59 to the Consolidated Financial Statements, the Holding Company has during the year, undertook an extensive physical verification of its fixed assets across various locations (including its ongoing project sites). During the course of such verification, the Holding Company have not been able to trace and identify certain assets which were either discarded from active use owing to the expiry of their useful life or have been appropriated by the Contractors at the closed sites due to non-payment of their dues. Accordingly, the Company have impaired such fixed assets at their carrying value as at December 31, 2020 aggregating to Rs. 4.02 crores and have grouped the same under exceptional items.
- e. Note No. 60 to the Consolidated Financial Statements, the Holding Company has during the year ended 31st March, 2021 identified certain non-moving balances which in the view of Management of the Holding Company, are not recoverable and / or payable. The aggregate of such non-moving non-recoverable balances is Rs.59.60 crores and aggregate of such non-moving non-payable balances is Rs.41.81 crores. These balances have been netted and a net expense of Rs.17.79 crores has been recorded as "Sundry balances written off".

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1	<p>Revenue from Construction Contracts</p> <p>There are significant accounting judgment including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition.</p> <p>The Holding Company recognizes revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract.</p> <p>Refer to Note Number 2.7 Summary of significant accounting policies – "Revenue Recognition" of the Consolidated Financial Statements</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the Holding Company's revenue recognition accounting policies in line with Ind AS 115 and testing thereof. • Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness; • Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard; • Testing a sample of contracts for appropriate identification of performance obligations; • For the sample selected, reviewing for change orders and the impact on the estimated costs to complete; • Discussion with the qualified & experienced project personnel regarding estimates of costs to complete for sample contracts, determination of milestones, various inherent contingencies in the contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Information Other than the Consolidated Financial Statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 consolidated financial statements 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a) We did not review the financial statements of four subsidiaries (including one step down subsidiary) included in the consolidated audited financial statements whose financial statements reflect total assets of Rs. 479.27 Crores, total revenue of Rs 22.52 crores for the year ended March 31, 2021, total comprehensive loss of Rs 192.36 crores for the year ended March 31, 2021. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our conclusion 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.

- b) We did not review the financial statements of one associate company included in the consolidated audited financial statements whose financial statements reflect total assets of Rs. 6.54 Crores, total revenue of Rs. NIL for the year ended March 31, 2021 and total comprehensive loss of Rs. NIL for the year ended March 31, 2021. This financial statement has not been audited by its auditor but have been certified by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the associate, is based solely on such Management certified financial statements and the procedures performed by us as stated.
- c) We have relied on the unaudited financial statements furnished by the Holding Company's management with respect to one subsidiary included in the consolidated financial statements whose financial statements reflect total assets of Rs. 23.52 Crores, total revenue of Rs. Nil for the year ended March 31, 2021, and total comprehensive loss of Rs. NIL for the year ended March 31, 2021. The unaudited financial result of the Company has been furnished to us by the Holding Company's management based on provisional financial statements and information available with the Holding Company and are not approved by the Management of the respective Company. Our conclusion 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 statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditors on separate financial statements of the subsidiaries as noted in the note no. 'a' of "Other Matters" paragraph above and unaudited financial statements referred to in 'b' of "Other Matters" paragraph above, we report, to the extent applicable that:

- (a) We have sought and except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding Company and its subsidiaries included in the Group, so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors and information certified by the management, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above;
- (c) Except for the possible effects of matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including consolidated other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the possible effects of matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards prescribed under Section 133 of Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matters described in the "Basis for Qualified Opinion" paragraphs and the "Emphasis of Matter" paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2021 taken on record by the Board of Directors of the Parent Company and the Company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company has not paid remuneration to its directors during the year.

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and financial statements certified by the Management in case of one subsidiary as noted in 'Other Matters';
- Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35 & 54 to the Consolidated Financial Statements.
 - Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, provisions have been made in the Consolidated Financial Statement, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No: 113447W/W-100019

Vinay Somani

Partner

Place : Mumbai

Date : February 4, 2022

Membership No: 143503

UDIN: 22143503AAJQKJ7044

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VALECHA ENGINEERING LIMITED

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

In conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Valecha Engineering Limited ("the Parent Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Group from time to time.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2021:

- a. The Holding Company is not having a full fledged ERP system to manage different operational activities. Accordingly, many of the operations, which would have been taken care by the system, required manual intervention and to that extent there are limitations in control system and processes.

The discrepancies noticed due to the above weakness, were, however, rectified by the year end with manual intervention.

- b. The Holding Company did not have an appropriate internal control system at sixteen (16) projects sites which could potentially result in material misstatements in the Company's liabilities, trade receivables and other assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company has maintained, in all material respects, adequate

internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the said Guidance Note issued by ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2021.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal Financial controls over financial reporting in so far as it relates to two subsidiary companies (including one step down subsidiary company) incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by, and on the reports of the other auditors.

For Bagaria & Co. LLP**Chartered Accountants**

Firm Registration No: 113447W/W-100019

Vinay Somani**Partner**

Membership No: 143503

UDIN: 22143503AAJQKJ7044**Place :** Mumbai**Date :** February 4, 2022

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Crores)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non Current Assets			
(a) Property, Plant & Equipment	3	2.03	7.23
(b) Right of use assets	3.1	-	0.08
(c) Investment Property	3.2	1.78	5.51
(d) Goodwill on Consolidation		1.80	1.80
(e) Other Intangible Assets	3.3	142.75	342.66
(f) Intangible Assets under development	3.4	199.39	191.30
(g) Financial Assets			
(i) Investments	4	0.08	0.11
(ii) Other Financial Assets	5	41.42	41.52
(h) Other Non-Current Assets	6	9.65	22.78
Total Non Current Assets		398.90	612.99
Current Assets			
(a) Inventories	7	1.12	0.51
(b) Financial Assets			
(i) Trade Receivables	8	214.99	227.63
(ii) Cash & Cash Equivalents	9	26.45	24.13
(iii) Bank Balances other than (ii) above	10	0.36	4.65
(iv) Loans	11	183.69	205.57
(v) Other Financial Assets	12	5.07	4.51
(c) Other Current Assets	13	106.04	102.23
Total Current Assets		537.72	569.23
Total Assets		936.62	1,182.22
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	22.53	22.53
(b) Other Equity	15	(592.89)	(589.52)
Equity Attributable to Shareholders of the Company		(570.36)	(566.99)
Non-Controlling Interest		(262.39)	(209.19)
Total Equity		(832.75)	(776.18)
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	60.63	66.00
(ii) Other Financial Liabilities	17	34.66	59.19
(b) Provisions	18	0.15	0.12
(c) Deferred Tax Liabilities (Net)	19	3.77	3.77
(d) Other Non-Current Liabilities	20	31.31	34.64
Total Non Current Liabilities		130.52	163.72
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	733.73	729.06
(ii) Trade Payables	22		
- Total outstanding dues of micro enterprises and small enterprises; and		1.93	2.69
- Total outstanding dues of creditors other than micro enterprises and small enterprises		82.75	118.54
(iii) Other Financial Liabilities	23	814.64	921.09
(b) Other Current Liabilities	24	4.93	21.62
(c) Provisions	25	0.87	1.68
Total Current Liabilities		1,638.85	1,794.68
Total Equity & Liabilities		936.62	1,182.22
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 64		

In term of our Report attached
For Bagaria & Co. LLP
Chartered Accountants
FRN : 113447W/ W-100019

For and on behalf of the Board

Tarun Dutta
Chief Executive Officer

S N Kavi
Director
DIN : 05124904

Tejas Deshpande
Director
DIN : 01942507

Vinay Somani
Partner
Membership No. 143503

Vijay Kumar H. Modi
Company Secretary & Legal
M.No. FCS 1831

Lalna B. Takekar
Director
DIN : 08111805

Anil S. Korpe
Chief Financial Officer

Place : Mumbai.
Date : 04th February, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2021

(₹ in Crores)

Particulars	Note	Year Ended March 31,2021	Year Ended March 31,2020
Income			
Revenue from Operations	26	232.02	240.36
Other Income	27	5.33	5.95
Total Income		237.35	246.31
EXPENSES			
Construction Expenses	28	187.81	195.81
Changes in Inventories	29	(0.61)	0.72
Employee Benefit Expenses	30	5.91	9.47
Finance Cost	31	138.99	142.44
Depreciation and Amortization Expenses	3	24.75	36.88
Other Expenses	32	30.24	16.99
Total Expenses		387.09	402.31
Profit/ (Loss) Before Share of Net Profit/ (loss) in Associate, Exceptional Items and Tax		(149.74)	(156.00)
Share of Net Profit/ (loss) in Associates		(0.00)	(0.00)
Profit/ (Loss) Before Exceptional Items and Tax		(149.74)	(156.00)
Exceptional Items (Net)	33	(93.14)	0.50
Profit/ (loss) Before Tax		(56.60)	(156.50)
Tax Expenses			
Current Tax (Including earlier year taxation)		(0.42)	-
Deffered Tax		-	-
		(0.42)	-
Profit/ (Loss) for the year		(56.18)	(156.50)
Attributable to			
Shareholders of the Company		(2.99)	(103.55)
Non-Controlling Interests		(53.20)	(52.96)
Other Comprehensive Income / (Loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Fair Value of Financial Instruments		-	-
(b) Investment in Equity Instruments		-	(0.02)
(c) Transaction with owners in their capacity as owners		-	-
(c) Re-measurement of defined benefit plans		0.10	0.03
(ii) Income tax relating to items that will not be classified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss			
(a) Re-measurement of gain/(loss) of investment/advances in foreign subsidiary		(0.48)	1.71
(ii) Income tax relating to items that will be classified to profit or loss		-	-
Other Comprehensive Income / (Loss) for the year		(0.38)	1.72
Total Comprehensive Income for the year		(56.56)	(154.78)
Attributable to			
Shareholders of the Company		(3.36)	(101.83)
Non-Controlling Interests		(53.20)	(52.96)
Earnings per Equity Share of Face Value of Rs. 10 each			
Basic and Diluted	34	(24.94)	(69.46)
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 64		

In term of our Report attached
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 Chartered Accountants
 FRN : 113447W/ W-100019

For and on behalf of the Board

Tarun Dutta
 Chief Executive Officer

S N Kavi
 Director
 DIN : 05124904

Tejas Deshpande
 Director
 DIN : 01942507

Vinay Somani
 Partner

Membership No. 143503

Place : Mumbai.

Date : 04th February, 2022

Vijay Kumar H. Modi
 Company Secretary & Legal
 M.No. FCS 1831

Lalna B. Takekar
 Director
 DIN : 08111805

Anil S. Korpe
 Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOW FOR YEAR ENDED MARCH 31, 2021

(₹ in Crores)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash flow from Operating activities		
Profit/ (Loss) Before Tax	(56.60)	(156.50)
Add / (Deduct) Adjustment for :		
Depreciation and Amortization Expense	24.75	36.88
Derecognition of control in subsidiary (Refer note 12)	(93.13)	-
(Profit)/ Loss on sale of fixed assets and Investment in Property (Net)	(0.04)	0.50
Provision for diminution in the value of Investment	0.05	-
Finance Cost	138.99	142.44
Interest Income	(3.56)	(3.76)
Re-measurement of defined benefit plans	0.10	0.03
Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	(0.48)	1.71
Rental Income from Investment Properties	(1.38)	(1.40)
Operating Profit/ (Loss) before Working Capital changes	8.69	19.89
Changes in Working Capital:		
Adjustment for (increase) / decrease in operating assets:		
Decrease in Inventories	(0.61)	0.72
(Increase)/ Decrease in Trade Receivable	12.65	74.03
(Increase) / Decrease Loans	52.72	64.11
(Increase)/ Decrease in other current assets and non-current financial assets	0.01	(76.39)
Adjustment for (increase) / decrease in operating liabilities:		
Increase/ (Decrease) in Trade Payables	(34.73)	(35.85)
Increase/(Decrease) in other current and financial liabilities (non-current)	106.51	59.31
Increase/ (Decrease) in Provisions	(0.82)	0.51
Cash Generated From / (used in) Operations	144.43	106.34
Direct Taxes (Paid)	13.54	(4.10)
Net Cash Flow from operating activities (A)	157.97	102.23
B. Cash Flow from investing activities		
Capital Expenditure for Property, Plant and Equipments, Investments Property, Intangible Assets including CWIP	(8.16)	(3.49)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	1.86	2.64
Investment in shares	(0.003)	0.001
Interest received	3.56	3.76
Rental Income from investment property	1.38	1.40
Net Cash flow from investing activities (B)	(1.37)	4.31

(₹ in Crores)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
C. Cash flow from financing activities		
Proceeds from/ (Repayment) of long term borrowings	(4.40)	(317.81)
Net increase / (Decrease) in Working Capital borrowings	4.68	358.26
Finance Cost	(138.99)	(142.44)
Net Cash flow used in financing activities (C)	(138.71)	(102.00)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	17.90	4.54
Cash and Cash Equivalent at the beginning of the year	24.13	19.59
Cash and Cash Equivalent on account of derecognition of step-down subsidiary	(15.57)	-
Cash and Cash Equivalent at the end of theyear	26.45	24.13
Note: Figures in brackets represents cash outflow		
Significant Accounting Policies	1 & 2	
See Accompanying notes forming part of the Financial Statements	3 to 64	

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For and on behalf of the Board

Vinay Somani
 Partner
 Membership No. 143503
 Place : Mumbai.
 Date : 04th February, 2022

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 Director
 DIN : 08111805

Anil S. Korpe
 Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2021**A. Equity Share Capital**

	(₹ in Crores)	
	Nos. of Shares	Amount
Balance as at April 01, 2019	22,530,025	22.53
Add: Changes in Equity Share Capital	-	-
Balance as at March 31, 2020	22,530,025	22.53
Add: Changes in Equity Share Capital	-	-
Balance as at March 31, 2021	22,530,025	22.53

B. Other Equity

Particulars	Reserve & Surplus					Item of other Comprehensive Income / (Loss)			Total
	Securities Premium Reserve	General Reserve	Compulsory Convertible Debentures (CCD)	Revaluation Reserve	Retained Earnings	Defined benefit plans	Re-measurement of gain/ (loss) of investment/ advances in foreign subsidiary	Fair Value of Financial Measurements	
Balance at April 1, 2019	121.12	43.90	18.31	-	(667.37)	(0.30)	1.39	(4.75)	(487.69)
Other comprehensive Income / (loss) for the year, net of tax						0.01	1.71	-	1.72
Prior Year Adjustments for Taxes and Others									-
Profit / (Loss) for the year	-	-	-	-	(103.55)	-	-	-	(103.55)
Balance at March 31, 2020	121.12	43.90	18.31	-	(770.92)	(0.29)	3.10	(4.75)	(589.52)
Other comprehensive Income / (loss) for the year, net of tax						0.10	(0.48)		(0.38)
Prior Year Adjustments for Taxes and Others									-
Profit / (Loss) for the year	-	-	-	-	(2.99)	-	-	-	(2.99)
Balance at March 31, 2021	121.12	43.90	18.31	-	(773.91)	(0.19)	2.62	(4.75)	(592.89)

See Accompanying notes forming part of the Financial Statements

In term of our Report attached
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For and on behalf of the Board

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 DIN : 08111805

Anil S. Korpe
 Chief Financial Officer

Place : Mumbai.
 Date : 04th February, 2022

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

1 Statement of compliance

The Consolidated financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

2 Significant accounting policies

2.1 Basis of preparation and presentation

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Historical cost convention

The Group follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. the consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

2.1.2 Current & Non Current Classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalent, the Group has ascertained its operating cycle as twelve (12) months for the purpose of current or non-current classification of assets and liabilities.

The Group's consolidated financial statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest crore (₹ 0,000,000) in two decimals except when otherwise indicated.

2.2 Basis of consolidation

2.2.1 The consolidated financial statements incorporate the financial statements of the Parent Group and its subsidiaries (**Refer Note 40**). For this purpose, an entity which is, directly or indirectly, controlled by the Parent Group is treated as subsidiary. The Parent Group together with its subsidiaries constitute the Group. Control exists when the Parent Group, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

2.2.2 Consolidation of a subsidiary begins when the Parent Group, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Group, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Group, directly or indirectly, gains control until the date when the Parent Group, directly or indirectly, ceases to control the subsidiary.

2.2.3 The consolidated financial statements of the Group combines financial statements of the Parent Group and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Group.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Group's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Group and to the non-controlling interests and have been shown separately in the consolidated financial statements.

2.2.4 Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Group.

2.2.5 The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Group.

2.2.6 The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

2.2.7 Goodwill on consolidation as on the date of transition i.e. April 1, 2016 represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation (if any) represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of (a) consideration paid for acquiring control and (b) acquisition date fair value of previously held ownership interest, if any, in a subsidiary over the Group's share in the fair value of the net assets (including identifiable intangibles) of the subsidiary as on the date of acquisition of control.

Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

2.3 Use of Estimates

The preparation of the consolidated financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known /materialise.

2.4 Inventories

The inventories of materials on hand at the end of the year are valued at lower of cost or net realisable value. The cost is being determined on First-In-First out method. Cost of work-in-progress comprises, raw materials, direct labour, other direct costs and related production overheads.

2.5 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

2.7 Revenue recognition

The Group Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. The Company recognizes revenue and profit/loss on the basis of stage of completion achieved under each contract. The recognition of revenue and profit/loss therefore rely on degree of completion achieved under each contract.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred.

Contracts executed in Joint Ventures / Consortium under work sharing arrangement are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed. In case where the contracts are executed independently by the Joint Ventures the share of profit / (Loss) is recognized as an income / (Loss) in the Books of account of the Company in the year in which the relative contract/s is/are completed / Income received.

Revenue is disclosed net of Goods and Service Tax (GST) as applicable.

Other Income

Interest Income is recognised on the basis of effective interest method as set out in IND AS 109 on Financial Instruments and where no significant uncertainty as to measurability or collectability exists.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

2.8 Employee Benefit

2.8.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

2.8.2 Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.8.3 Post-employment obligations

(i) Defined benefit provident fund plan

The Group's contribution to provident fund is charged to Statement of Profit and Loss.

(ii) Defined benefit Gratuity fund plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as provided by LIC. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The Group does not have scheme of leave encashment.

2.9 Taxation

2.9.1 The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

2.9.2 Current Tax

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.9.3 Deferred Tax

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

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

2.9.4 Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

2.10.1 Financial Assets**Classification of Financial Assets**

The Group classifies its financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- (b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- (a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (c) For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement of Financial Assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2.10.1.a Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

2.10.1.b Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.10.1.c Fair Value Hedge

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in statement of profit and loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Derecognition of financial assets

A financial asset is derecognised only when -

- (a) The Group has transferred the rights to receive cash flows from the financial asset or

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.10.2 Financial Liabilities

Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

- 2.10.3 (i)** Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
- (ii)** Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.11 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

2.12 Property, plant and equipment

On transition to Ind AS, The group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

Free-hold land is carried at cost. Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

The Group assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

Depreciation and amortisation

Depreciation on Fixed Assets is calculated on "Straight Line Method" over the estimated useful life in the manner prescribed in Schedule II of the Companies Act, 2013.w.e.f. 01.04.2014. Depreciation on Revalued Assets, is calculated on their respective book values, at the rates considered applicable by the valuers.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

Free hold land is not depreciated. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

2.13 Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are affected. Exchange differences arising on settlement of these transactions are recognized in the Statement of Profit and Loss.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the Balance Sheet and resulting exchange difference is recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

2.14 Investment Property

Property that is held for rental or Capital appreciation and which is not occupied by the group, is classified by Investing property. Investment property is measured at cost including related transaction cost and where applicable borrowing cost. Investment properties are depreciated at the same rate applicable for class of asset under Property, Plant and Equipment. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

2.15 Intangible assets

On transition to Ind AS, The group has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the intangible assets.

An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the group and (b) the cost of the asset can be measured reliably.

Amortisation on Intangible asset

Amortisation on intangible Assets is calculated on "Straight Line Method" over the period of useful life of asset as technically evaluated by the management.

2.16 Earnings per share

2.16.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

2.16.2 Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Impairment of Assets :

The carrying amounts of all assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An assets is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.18 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities

Contingent Liabilities are not recognized but disclosed in notes forming part of the consolidated financial statements.

Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable. Contingent assets are neither recognised nor recorded in financial statements.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

2.19 Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.20 Leases

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019.

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is accounted at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

2.21 Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in such case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

2.22 New standards and interpretations not yet adopted

There is no such notification which would have been applicable from April 01, 2021.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

3 Property, Plant & Equipments

Cost

Particulars	Land-Freehold	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Total
Balance as at April 01, 2019	0.22	1.45	40.39	9.54	15.69	67.29
Additions	-	-	0.02	0.01	-	0.03
Disposal / Adjustements	-	-	20.09	-	-	20.09
Balance as at March 31, 2020	0.22	1.45	20.32	9.55	15.69	47.23
Additions	-	-	-	0.07	-	0.07
Disposal / Adjustements	0.07	-	18.60	7.01	14.14	39.82
Balance as at March 31, 2021	0.15	1.45	1.72	2.61	1.55	7.48

Accumulated Depreciation

Particulars	Land-Freehold	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Total
Balance as at April 01, 2019	-	0.43	31.44	9.36	13.76	54.99
Depreciation / Amortization	-	0.02	1.38	0.03	0.52	1.95
Disposal / Adjustements	-	-	16.94	-	-	16.94
Balance as at March 31, 2020	-	0.45	15.88	9.39	14.28	40.00
Depreciation / Amortization	-	0.02	0.75	0.02	0.37	1.16
Disposal / Adjustements	-	-	15.40	6.98	13.33	35.71
Balance as at March 31, 2021	-	0.47	1.23	2.43	1.32	5.45

Carrying Amount

Particulars	As at March 31, 2021	As at March 31, 2020
Land- Freehold	0.15	0.22
Buildings	0.98	1.00
Plant & Equipments	0.49	4.44
Furniture & Fixtures	0.18	0.16
Vehicles	0.23	1.41
Total	2.03	7.23

3.1 Right of use assets

Gross Block

	Right of use assets	Total
Balance as at April 01, 2019	-	-
Additions	0.16	0.16
Disposal / Adjustments	-	-
Balance as at March 31, 2020	0.16	0.16
Additions	-	-
Disposal / Adjustments	-	-
Balance as at March 31, 2021	0.16	0.16

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Accumulated Depreciation

	Building	Total
Balance as at April 01, 2019	-	-
Depreciations	0.08	0.08
Disposal / Adjustments	-	-
Balance as at March 31, 2020	0.08	0.08
Depreciations	0.08	0.08
Disposal / Adjustments	-	-
Balance as at March 31, 2021	0.16	0.16
Net carrying amount as at March 31, 2021	-	-
Net carrying amount as at March 31, 2020	0.08	0.08
Net carrying amount as at April 01, 2019	-	-

3.2 Investment Property
Cost

Particulars	Buildings	Total
Balance as at March 31, 2019	6.63	6.63
Additions	-	-
Disposal / Adjustments	-	-
Balance as at April 01, 2020	6.63	6.63
Additions	-	-
Disposal / Adjustments	4.08	4.08
Balance as at March 31, 2021	2.55	2.55

Accumulated Depreciation

Particulars	Building	Total
Balance as at April 01, 2019	1.01	1.01
Depreciations	0.11	0.11
Disposal / Adjustments	-	-
Balance as at March 31, 2020	1.12	1.12
Depreciations	0.09	0.09
Disposal / Adjustments	0.44	0.44
Balance as at March 31, 2021	0.77	0.77

Carrying Amount

Particulars	As at March 31, 2021	As at March 31, 2020
Buildings	1.78	5.51
Total	1.78	5.51

Amount recognised in profit or loss for Investment Properties

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
1 Rental Income	1.38	1.40
2 Direct operating expenses from property that generate rental income.	0.08	0.07
3 Direct operating expenses from property that did not generate rental income.	0.15	0.14
4 There are no restrictions on the realisability of investment property.		
5 The Parent company is using same life for the same class of asset as applicable for property plant and equipment.		
Fair Value		
1 Investment property - Office Premises, the market value has not been ascertained.		
2 The range of estimates within which fair value is highly likely to lie- Rs 28.49 crores (Rs 40.06 crores for March 31, 2020)		

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

3.4 Other Intangible Assets

Cost

Particulars	Concessionaire Right	Total
Balance as at April 01, 2019	569.56	569.56
Additions	-	-
Disposal / Adjustements	-	-
Balance as at March 31, 2020	569.56	569.56
Additions	-	-
Disposal / Adjustements	270.86	270.86
Balance as at March 31, 2021	298.70	298.70

Accumulated Depreciation

Particulars	Concessionaire Right	Total
Balance as at April 01, 2019	192.14	192.14
Depreciation / Amortization	34.74	34.74
Disposal / Adjustements	-	-
Balance as at March 31, 2020	226.88	226.88
Depreciation / Amortization	23.42	23.42
Disposal / Adjustements	94.38	94.38
Balance as at March 31, 2021	155.93	155.93

Carrying Amount

Particulars	As at March 31, 2021	As at March 31, 2020
Concessionaire Right	142.77	342.68
Total	142.77	342.68

3.5 Intangible Assets under development

At Cost

Particulars	Concessionaire Right	Total
Balance as at April 01, 2019	188.00	188.00
Additions	3.30	3.30
Capitalisation	-	-
Balance as at March 31, 2020	191.30	191.30
Additions	8.08	8.08
Capitalisation	-	-
Balance as at March 31, 2021	199.39	199.39

Particulars	As at March 31, 2021	As at March 31, 2020
Concessionaire Right	199.39	191.30
Total	199.39	191.30

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

4 Investments

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Unquoted & Fully Paid Equity Instruments				
In Associate Companies - At Cost				
Valecha Reality Ltd (Face Value ₹10/- each)	24,950	0.03	24,950	0.02
Investment in Gopaldas Vasudev Construction Limited [352 (Pr. Yr. Nil) Equity Shares Face Value of Rs 100 Each]	352	-		
Aryavrat Tollways Pvt. Ltd. - Voting Shares (Face Value ₹10/- each)	4,900	-	4,900	-
Aryavrat Tollways Pvt. Ltd. - Non-Voting Shares (Face Value ₹ 10/- each)	44,100	0.05	44,100	0.04
Less:- Provision for Diminution in the value of Investment		(0.05)		-
		0.03		0.06
In Others (at FVTOCI)				
The Saraswat Co-op. Bank Ltd. (Face Value ₹10/- each)	2,500	-	2,500	-
The Janakalyan Sahakari Bank Ltd. (Face Value ₹10/- each)	50,000	0.05	50,000	0.05
The Janta Sahakari Bank Ltd (Face Value ₹10/- each)	100	-	100	-
Valecha Chambers Condominium (Face Value ₹ 100/- each)	37	-	37	-
Varun Cements Ltd. (Face Value ₹ 10/- each)	42,800	-	42,800	-
		0.05		0.05
Investment in Equity Shares of Subsidiaries - Unquoted				
Investment in Valecha LM Toll Private Limited [74,00,000 (Pr. Yr. 74,00,000) Equity Shares Face Value of Rs 10 Each]		7.40		-
Less: Provision for Diminution in the value of Investment		(7.40)		-
Investment in Debentures of subsidiary - Unquoted				
Investment in CCD - Valecha LM Toll Private Limited [3,73,10,000 (Pr. Yr. 3,73,10,000) CCD Face Value of Rs 10 Each]		37.31		-
Less: Provision for Diminution in the value of Investment		(37.31)		-
		-		-
Total		0.08		0.11
Aggregate amount of unquoted investments		0.08		0.11

Particulars	As at	As at
	March 31, 2021	March 31, 2020
5 Other Non Current Financial Assets		
Unsecured, Considered good unless otherwise stated		
Security Deposits	0.10	0.10
Retention	38.44	38.53
Others	2.88	2.89
Total	41.42	41.52
6 Other Non Current Assets		
Balances with Government Authorities	9.65	22.77
Deposits	-	0.01
Total	9.65	22.78
7 Inventories		
(As taken, valued & certified by Management)		
Raw Materials	1.12	0.51
Total	1.12	0.51

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

	Particulars	As at			
		March 31, 2021	March 31, 2020		
8	Trade Receivables*				
	Unsecured				
	Considered Good	214.99	227.63		
	Less: Allowance for Expected Credit Loss	-	-		
	Total	214.99	227.63		
	* Refer note no. 44.2 for credit risk				
9	Cash and Cash Equivalents				
	Cash on Hand	0.07	0.17		
	Balances with Banks				
	- In Current Accounts	26.38	23.96		
	Total	26.45	24.13		
10	Other Bank Balances				
	Earmarked Balances with Banks				
	- Unpaid Dividend Accounts	0.03	0.06		
	- Margin Money Deposit	0.33	4.59		
	Total	0.36	4.65		
11	Loans				
	Unsecured, considered good unless otherwise stated				
	Loans to Related Parties	42.55	42.34		
	Loans and Advances to Employees	1.47	1.38		
	Other Loans and advances	139.67	161.85		
	Total	183.69	205.57		
12	Other Financial Assets				
	Advance Recoverable	0.43	0.44		
	Others	4.64	4.07		
	Total	5.07	4.51		
13	Other Current Assets				
	Balance with Government Authorities	34.31	33.78		
	Balance with GST Authorities	2.78	0.27		
	Unbilled Revenue	20.70	24.95		
	Advance to suppliers	44.10	41.98		
	Others	4.15	1.25		
	Total	106.04	102.23		
	Particulars	As at 31st March, 2021		As at 31st March, 2020	
		No. of shares	Amount	No. of shares	Amount
14	Share Capital				
	Authorised:				
	Equity Shares of Rs. 10/- each	35,000,000	35.00	35,000,000	35.00
	Issued, Subscribed & paid up:				
	Equity Shares of Rs. 10/- each	22,530,025	22.53	22,530,025	22.53

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

4.1 Reconciliations of the number of equity shares and amount outstanding at beginning and end of the year

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at beginning of the year	22,530,025	22.53	22,530,025	22.53
Add: Changes in Equity Share Capital	-	-	-	-
Balance at the end of the year	22,530,025	22.53	22,530,025	22.53

14.2 Right, Preferences and restrictions attached to shares :

The Company has only one class of Equity Shares having a par value of ₹10/- per share. Each share holder is entitle for one vote per share. In the event of liquidation, the equity share holders are entitle to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

14.3 Details of shares held by each shareholders holding more than 5% shares

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	%	No. of shares	%
Valecha Investment Pvt. Ltd.	4,003,745	17.77	4,003,745	17.77
Suman Aggarwal	2,928,504	13.00	2,928,504	13.00
Hypnos Fund Limited	2,000,000	8.88	2,000,000	8.88

15 Other Equity

Particulars	As at 31st March, 2021	As at March 31, 2020
15.1 Securities Premium Account	121.12	121.12
15.2 General Reserve	43.90	43.90
15.3 Retained Earnings	(773.91)	(770.92)
15.4 Compulsory Convertible Debentures (CCD)	18.31	18.31
(Unsecured)		
<i>1,31,10,000 Unsecured Compulsory Convertible Debentures Rs. 10 each issued on 23.12.2010 to be converted any time between period of 5 to 10 years from the Commercial Operations Date</i>		
<i>52,00,000 Unsecured Compulsory Convertible Debentures of Rs.10 each issued on 04.10.2012 to be converted after 10 years from the date of issue.</i>		
15.5 Other Comprehensive Income	(2.31)	(1.93)
Total	(592.89)	(589.52)

Nature of Reserves**(i) Securities Premium Account**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

(iii) OCI - Fair Value of Financial Instrument

The company recognised resultant impact of fair valuation on financial assets and liabilities.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Particulars		As at March 31, 2021	As at March 31, 2020		
16	Non Current Borrowings				
	Secured				
	Term Loans :				
	From Banks	29.85	38.84		
	Unsecured				
	Related Parties	27.78	24.16		
	Others	3.00	3.00		
	Total	60.63	66.00		
16.1	Term of Repayment & Security details of Borrowings				
	Repayment tenure & Security nature	Last installment Date	Rate of Interest	Amount Outstanding as at	
				March 31, 2021	March 31, 2020
16.1.a	Valecha Engineering Limited				
1	Repayable in 9 quarterly installments, secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive & first charge over Escrow A/c & project specific Current Assets.	Mar-16	11.70%	49.02	49.02
2	Corporate Loan Repayable in 10 Quarterly Instalments, secured by exclusive charge on the specific immovable property along with the subservient charge on movable fixed assets & current assets.	Dec-16	13.10%	15.56	15.56
3	Term Loan Repayable in 6 quarterly installments is secured by first & exclusive charge on the project receivables for EPC from Rapti Nhar Nirman Mandal-II Irrigation Depart, Basti, Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Aug-17	12.25%	77.87	77.87
4	Repayable in 18 quarterly installments, secured by first & exclusive charge on the specific immovable property & JSL & VIL Shares	Sep-20	12.15%	8.56	8.56
5	Repayable in 60 monthly installments, secured by exclusive charge on the specific Machineries	Sep-20	14.00%	27.80	27.80
16.1.b	Valecha Infrastructure Limited				
7	Repayable in 18 quarterly installments, secured by pledge of shares and immovable property.	Sep-20	11.50%	56.91	44.45
8	Repayable in 18 quarterly installments, secured by pledge of shares and immovable property.	Sep-21	11.50%	61.71	43.11
	Repayment tenure & Security nature	Last installment Date	Rate of Interest	Amount Outstanding as at	
				March 31, 2020	March 31, 2021
16.1.c	Valecha Badwani Sendhwa Tollways Limited				
9	Repayable in 47 unequal quarterly installments, secured by first charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities	May-29	11.40%	39.33	45.57
16.1.d	Valecha Kachchh Toll Roads Limited				
10	Repayable in 39 structured quarterly installments, secured by first charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities	Mar-27	16.10%	488.14	413.37
11	Repayable in 39 structured quarterly installments, secured by first charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities	Mar-27	11.40%	289.00	257.46

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

16.2 The Company has defaulted in repayment of loans and interest in respect of the following

Particulars	Period of Default	Amount of default (As at March 31, 2021)		
		Principal	Interest	Total
16.2.a Valecha Engineering Limited				
Term Loan				
Central Bank of India	2009 Days	35.98	13.04	49.02
Syndicate Bank	1916 Days	58.16	19.71	77.87
Yes Bank	1398 Days	6.90	1.65	8.55
State Bank of Bikaner & Jaipur (SBI)	1825 Days	12.08	3.47	15.55
Machinery Loan				
SREI Equipment Finance Ltd	1460 Days	17.52	10.28	27.80
Fixed Deposits from Public				
	2403 Days	22.80	-	22.80
Total (a)		153.44	48.15	201.59
16.2.b Valecha Infrastructure Limited				
Term Loan				
Yes Bank	1126 Days	78.25	40.37	118.62
Total (b)		78.25	40.37	118.62
16.2.c Valecha Kachchh Toll Roads Ltd.				
Term Loan				
Canara Bank	1764 Days	203.09	285.05	488.14
Indian Overseas Bank	1764 Days	161.17	127.83	289.00
Total (c)		364.26	412.88	777.14
Total (a+b+c+d)		595.95	501.40	1,097.35

Particulars	As at	As at
	March 31, 2021	March 31, 2020
17 Other Financial Liabilities		
Amount Withheld and Retention from sub-contractors	34.15	56.09
Security Deposits	0.51	3.10
Total	34.66	59.19
18 Provisions		
-Provision for Gratuity	0.15	0.12
Total	0.15	0.12
19 Deffered Tax Liabilities (Net)		
Deffered Tax Liabilities		
Differences in WDV in Block of Fixed Assets as per Tax Books and Financial Books	3.77	3.77
Deffered Tax Assets		
Carry Forward Losses as per the Income Tax Act 1961 (Recognised to the extent of Deffered tax liabilities)	-	-
Deffered Tax Liabilities (Net)	3.77	3.77

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

	Particulars	As at	As at
		March 31, 2021	March 31, 2020
20	Other Non-Current Liabilities		
	Provision for contractual obligations	31.31	34.64
	Total	31.31	34.64
21	Borrowings		
	From Banks - Secured :		
	Working Capital Loans - Cash Credit Limits	246.14	246.49
	Short Term Facilities	418.79	429.16
	From Others - Unsecured :		
	Other Short Term Loans	17.42	17.43
	Others	51.38	35.98
	Total	733.73	729.06

Note : Secured by

Primary Security: Pari passu charge on stock and outstanding book debts of the company

Collateral Security: EM on office premises at 4th Floor and part of 3rd floor of Valecha chambers, New Link Road, Oshiwara, Andheri West.

Paripassu charge on entire plant and machinery of the company

Personal guarantees of Mr. J K Valecha, Mr. D H Valecha and Mr. U H Valecha

The Company has defaulted in repayment of working capital facilities in respect of the following :

Particulars	Period of Default	Amount of Default (As at March 31, 2021)		
		Principal	Interest	Total
Valecha Engineering Limited				
Working Capital Facilities				
State Bank of India	1827 Days	193.70	42.08	235.78
Axis Bank Ltd	1836 Days	72.54	20.83	93.37
Canara Bank	1996 Days	21.19	1.93	23.12
DBS Bank India Ltd.	1186 Days	30.30	0.00	30.30
Total		317.73	64.84	382.57

Working capital loans are secured by hypothecation of book debts, current assets, unencumbered plant & machinery and specific immovable properties as per the sanction terms.

Short Term Facilities from Banks are secured against the securities offered under the working capital loans.

	Particulars	As at	As at
		March 31, 2021	March 31, 2020
22	Trade Payables		
	Dues of Micro and Small Enterprises	1.93	2.69
	Others	82.75	118.55
	Total	84.68	121.24
22.1	The details of amounts outstanding to Micro and Small Enterprises based on information available with the Company is as under :		
	a. Principal amount remaining unpaid	1.93	2.69
	b. Interest due thereon remaining unpaid	1.86	0.73
	c. Interest paid	-	-
	d. Payment made beyond the appointed day during the year	-	-
	e. Interest due and payable for the period of delay	-	-
	f. Interest accrued and remaining unpaid	-	-
	g. Amount of further interest remaining due and payable in succeeding years	-	-
	Total	3.80	3.42

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

22.2 The Parent Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given subject to amount mentioned in above table.

	Particulars	As at March 31, 2021	As at March 31, 2020
23	Other Financial Liabilities		
	Current maturities of Long Term Borrowings (Refer Note 16.1 & 16.2)	218.39	375.92
	Current Maturities of Fixed Deposits (Refer Note 16.2.a)	22.80	30.73
	Current Maturities of lease liabilities	-	0.09
	Interest Accrued and Due on Borrowings (Refer Note 16.1 & 21)	573.36	514.11
	Unclaimed Dividends	0.02	0.05
	Others	0.07	0.19
	Total	814.64	921.09
24	Other Current Liabilities		
	Statutory Dues	4.28	6.49
	Advance from Contractees	0.65	15.13
	Total	4.93	21.62
25	Provisions		
	Provision for Employee Benefits		
	Bonus	0.10	0.10
	Gratuity	0.77	1.58
	Total	0.87	1.68
	Particulars	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
26	Revenue from Operations		
	Income from Contract and Services	209.56	198.76
	Revenue from Toll collection and Annuity	22.46	41.60
	Total	232.02	240.36
27	Other Income		
	Interest on Fixed Deposits	0.92	1.67
	Interest from Others	2.63	2.09
	Lease Rental Income	1.38	1.40
	Sundry balances written back	-	0.68
	Excess Provision of earlier years written back	0.28	-
	Profit on Sale of Fixed Assets	0.04	-
	Dividend Received	-	-
	Miscellaneous Income	0.08	0.11
	Total	5.33	5.95
28	Construction Expenses		
	Materials Purchase	15.78	11.07
	Sub-Contracting Expenses	157.92	171.96
	Power and Fuel	1.20	1.69
	Repairs, Rent & Maintenances to Plant & Machineries and Vehicles	0.92	1.51
	Site Expenses	11.99	9.58
	Total	187.81	195.81

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Particulars	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
29 Changes in Inventories		
Opening Stock	0.51	1.23
Less: Closing Stock	1.12	0.51
Total	(0.61)	0.72
30 Employee Benefits Expenses		
Salaries, Wages, and Bonus	5.31	6.91
Contribution to Provident Fund, Gratuity and other funds	0.33	2.45
Welfare Expenses	0.27	0.11
Total	5.91	9.47
31 Finance Cost		
Interest Expenses		
- Banks	138.21	141.14
- Others Parties	0.59	0.83
Interest cost on Security deposits	0.02	0.06
Interest Component of Lease Liability	0.01	0.01
Other Borrowing Cost	0.16	0.40
Total	138.99	142.44
32 Other Expenses		
Rent, Rates and taxes	0.07	0.11
Rent and Hire Charges	0.09	0.10
Printing and stationery	0.03	0.06
Telephone and Postage	0.06	0.09
Traveling and conveyance	0.28	0.42
Electricity charges	0.16	0.39
Professional Fees	2.10	2.83
Repairs and Maintenance - Buildings	0.66	0.30
Repairs and Maintenance - Plant and Machinery	0.15	0.25
Repairs and Maintenance - Others	0.06	0.04
Repairs and Maintenance	3.50	3.64
Toll Operator Fees	-	0.36
MMR Provision	3.90	5.41
Toll Collection System - Amc	-	0.09
MPRDC Premium	0.03	1.52
Bank charges	0.02	0.02
Payments to Auditor	0.16	0.19
Provision for diminution in the value of Investment	0.05	-
Provision for Doubtful Debts/ Advances	0.78	0.17
Sundry balances written off (Refer note no.60)	17.79	0.10
Miscellaneous expenses	0.35	0.89
Total	30.24	16.98
32.1 Auditors Remunerations		
Audit Fees	0.15	0.18
Certification and Other Services including Service Tax and Goods and Service Tax	0.01	0.01
Total	0.16	0.19

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Particulars	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
33 Exceptional Items (Net)		
Loss on sale of Investment in Property	(1.84)	-
Impairment/ discard of Plant and Machineries	(4.02)	0.50
Derecognition of subsidiary on loss of subsidiary	143.71	-
Loss on diminution in the value of Investments	(44.71)	-
Total	93.14	0.50

Particulars	2020-21	2019-20
34 Earnings per Share		
Profit attributable to Equity Shareholders (Rs. in crores)	(56.18)	(156.50)
Weighted average Number of shares for Basic EPS (Numbers)	22,530,025	22,530,025
Weighted average Number of shares for Diluted EPS (Numbers)	22,530,025	22,530,025
Face Value of each Equity Share (in Rs.)	10.00	10.00
Basic & Diluted earning per Share (in Rs.)	(24.94)	(69.46)

35 Contingent Liabilities

Contingent Liabilities are not provided for and are as below :

Particulars	2020-21	2019-20
1 Outstanding Letter of Credits / Bank Guarantee	60.15	71.84
2 Dispute with Suppliers	3.01	3.01
3 Late payment and over limit charges on credit card dues	5.89	5.89

36 Segment Reporting

The Group operates in a single reportable segment i.e. Construction Activity, which have similar risks and returns for the purpose of Ind AS 108 on 'Operating segments'.

The Group operates in a single geographical segment i.e. domestic.

37 CSR Expenditure

Corporate Social Responsibility (CSR) - In view of losses during the year, expenditure on CSR is not applicable for current financial year. In Previous year, expenditure on CSR was not applicable in view of losses.

38 Related Party Disclosures

Disclosure as required by the Indian Accounting Standard (Ind AS)24 " Related Party Disclosures " are given below :

List of Related Parties with whom transactions have taken place

Relationship	Name of Related Parties
Associate Companies	Valecha Reality Ltd. Aryavrat Tollways Pvt. Ltd.
Enterprises where KMPs have significant influence	Gopaldas Vasudev Construction Pvt. Ltd. Valecha Power Ltd.
Enterprises having significant influence over the Holding Company	Valecha Investment Private Limited
Joint Ventures	Valecha - ECCI (JV) Valecha - SGCCCL (JV) Valecha - Transtonelstroy (JV) Valecha - VKJ (JV) Valecha - SDPL JV Bitcon-VUBEPL-GCC-Valecha (JV) Valecha Shraddha (JV) Valecha Atcon (JV) Valecha - Matere (JV) Valecha - CSR (JV) Valecha - TTC (JV)

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Key Management Personnel (KMP)

Independent Director	S N Kavi
Independent Director	Tejas Deshpande
Non-Executive Director	Lalna Takekar
Chief Executive Officer	Tarun Dutta
Company Secretary & Legal	Vijay Kumar H. Modi
Chief Financial Officer	Anil S. Korpe

Note: Related party relationship is as identified by the Group and relied upon by the Auditor.

39 Details of Transactions with Related Parties**i. Transactions with Associate Companies / Enterprises over which KMPs having significant influence**

	Particulars	2020-21	2019-20
a.	Deposit / Loans / Repayment received during the year	17.79	4.09
b.	Deposit / Loans given / Repaid during the year	14.38	10.03
c.	Outstanding Balance - Amount Payable	27.78	24.15
d.	Outstanding Balance - Amount Receivable	6.78	6.57

ii. Transactions with Joint Ventures

	Particulars	2020-21	2019-20
a.	Sales	46.40	61.58
b.	Outstanding Balance - Amount Receivables	15.57	8.90

iii. Transactions with Key Management Personnel (KMP)

	Particulars	2020-21	2019-20
	Remuneration paid during the year	1.02	0.85
	Sitting Fees	0.03	0.08

40 The List of subsidiary companies and associate company included in the Consolidated Financial Statements are as under

No.	Particulars	Country of incorporation	Proportion of ownership interest & voting power as at	
			31-Mar-21	31-Mar-20
Subsidiary Company				
1	Valecha Infrastructure Limited	India	100%	100%
2	Valecha International (FZE)	UAE	100%	100%
3	Professional Realtors Private Limited	India	100%	100%
4	Valecha Badwani Sendhawa Tollways Limited	India	74%	74%
5	Valecha Kachchh Toll Roads Limited	India	58%	58%
Associate Company				
1	Valecha Reality Ltd.	India	49.90%	49.90%

Note: The Holding Company did not consolidate one of its Associate Company "Aryavrat Tollways Private Limited" due to non availability of financial statements of the Associate Company.

The Holding Company has formed eleven joint ventures (JV) with various parties. The Company do not have any interest in the profit/loss, Assets and Liabilities of such JV thus the requirement of consolidation do not arise. Company's revenue from projects under such JV are duly recognised in the Standalone and Consolidated Financial Statements.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Disclosure required by schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013

Loans Given to Associate Companies / Enterprises over which KMPs having significant influence / Enterprises having significant influence over the Holding Company	2020-21		2019-20	
	As at year end	Maximum balance during year	As at year end	Maximum balance during year
Valecha Investment Pvt. Ltd.	6.48	6.48	6.28	6.28
Valecha Power Ltd.	0.01	0.01	0.01	0.01
Valecha Reality Ltd.	0.28	0.28	0.28	0.28
Total	6.78	6.78	6.57	6.57

41 Employee Benefits

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

A. Defined Contribution Plan

Contribution to Defined Contribution Plan includes Provident Fund. The expenses recognised for the year are as under :

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund	0.19	0.23
Employer's Contribution to Employee's state Insurance	0.00	0.05
Employer's Contribution to Pension Fund	0.03	0.07

B. Defined Benefit Plan

Gratuity:

In accordance with the payment of Gratuity Act 1972 the Group provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India (LIC) and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end.

Major category of plan assets

The group has taken plans from Life Insurance Corporation of India.

The following tables set out the funded status of the gratuity plans and the amounts recognised in the consolidated financial statements as at 31 March 2021 and 31 March 2020.

	Particulars	2020-21	2019-20
i	Changes in present value of obligations		
	Present value of obligations as at the beginning of year	1.00	1.32
	Interest cost	0.07	0.10
	Current Service Cost	0.08	0.05
	Past Service Cost	-	-
	Benefits Paid	-	(0.44)
	Actuarial gain on obligations	(0.10)	(0.03)
	Present value of obligations as at the end of year	1.05	1.00
	Particulars	2020-21	2019-20
ii	Changes in the fair value of plan assets		
	Fair value of plan assets at the beginning of year	0.49	0.13
	Expected return on plan assets	0.00	0.01
	Contributions	0.13	0.31
	Benefits paid	0.08	0.05
	Actuarial gain on Plan assets	(0.00)	(0.00)
	Fair value of plan assets at the end of year	0.69	0.49

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

	Particulars	2020-21	2019-20
iii	Change in the present value of the defined benefit obligation and fair value of plan assets		
	Present value of obligations as at the end of the year	(1.05)	(1.00)
	Fair value of plan assets as at the end of the year	0.69	0.49
	Net (liability) / asset recognized in balance sheet	(0.35)	(0.51)
	Amount recognised in the statement of profit and loss under employee benefit expenses.		
	Particulars	2020-21	2019-20
	Expenses Recognised in statement of Profit & Loss		
	Current Service cost	0.08	0.05
	Interest Cost	0.07	0.09
	Expected return on plan assets	-	-
	Net Actuarial gain recognised in the year	-	-
	Expenses recognised in statement of Profit & Loss Account	0.14	0.14
	Amount recognised in the statement of other comprehensive income (OCI).		
	Particulars	2020-21	2019-20
	Actuarial Gain/Loss recognized		
	Actuarial (gain)/losses on obligation for the year	(0.10)	(0.03)
	Return on Plan Asset, excluding Interest Income	0.00	0.00
	Change in Asset ceiling	-	-
	Net (Income)/Expense for the period recognized in OCI	(0.09)	(0.03)
	Principal actuarial assumptions at the Balance Sheet date		
	Particulars	2020-21	2019-20
	Expected Return on Plan Assets	6.82%	6.84%
	Rate of discounting	6.82%	6.84%
	Rate of Salary Increase	8.00%	8.00%
	Rate of employee turnover	3.00%	3.00%
	Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
	Mortality Rate after employment	N.A.	N.A.

42 Deferred taxes not recognised

In absence of reasonable certainty, the Group has not recognised Deferred Tax Assets to the extent mentioned below in the table.

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets in relation to :		
Carried Forward Losses	29.56	28.72
Property, plant and equipment/Investment Property/Other Intangible Assets	2.98	2.06
Total	32.54	30.78

**43 Capital management
Risk Management**

The objectives when managing capital are to safeguard the ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The management sets the amounts of capital required in proportion to risk. The Group manages its capital structure and adjusts it in light of changes in economic conditions and risk characteristics of the underlying assets.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowing	1,608.91	1,715.82
Total equity	(832.75)	(776.18)
Total Capital (Borrowing and Equity)	776.16	939.64
Gearing Ratio	(1.93)	(2.21)

- (i) Borrowings represents total borrowings (non-current & current).
- (ii) Equity comprises of all components including other comprehensive income.

During the year, the Group's strategy was to monitor and manage the use of funds whilst developing business strategies.

The Group is not subject to any externally imposed capital requirements.

44 Financial Risk Management

A wide range of risks may affect the Group's business and financial results. Amongst other risks that could have significant influence on the Group are market risk, credit risk and liquidity risk.

The Board of Directors of the Group manage and review the affairs of the Group by setting up short term and long-term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

44.1 Market risk

The Group is primarily exposed to the following market risks.

44.1.1 **Foreign Currency risk management** - The Group does not have any foreign currency risk.

44.1.2 Interest rate risk management

Out of total borrowings, large portion represents current borrowings and all the borrowings are with fixed interest rate. And accordingly the Company is not exposed to interest rate risk. However, the Company continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

44.1.3 Price Risk

The company is constantly exposed to market inflation risk. The price of direct cost and overhead projected before execution of project are substantially increased till the completion of project. However company is eligible to claim price escalation amount from the client as per the terms and condition mentioned in tender document which varies for tender to tender.

44.2 Credit management

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients and cash. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The Group has a low credit risk in respect of its trade receivables, its major customers being autonomous agencies of Government and Public Sector Undertakings. However, as Group grows its customer base, it will experience an increased credit risk environment. The Group is also exposed to credit risk in respect of its cash and seeks to minimise this risk by holding funds on deposit with major financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 471.97 crores (₹508.01crores for March 31, 2020), being the total of the carrying amount of the balances with banks, bank deposits, investments (excluding equity investments), trade receivables, loans given and other financial assets.

44.3 Liquidity risk management

Liquidity risk refers to the risk that the Group may not be able to meet its financial obligations timely.

Management monitors rolling forecasts of the Group's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The table below analyses the maturity profile of the Company's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date. The liquidity continues to remain under stress. The Company is going through a very tight liquidity situation resulting in sub-optimal level of operations thereby impacting profitability. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Particulars	2020-21			2019-20		
	Less than 1 year	Between 1 and 5 years	Total	Less than 1 year	Between 1 and 5 years	Total
a. Borrowings	733.73	60.62	794.36	729.06	66.00	795.05
b. Trade Payables	84.68	-	84.68	121.24	-	121.24
c. Other Financial Liabilities	814.64	34.66	849.30	921.09	59.19	980.28
Total	1,633.05	95.28	1,728.33	1,771.39	125.18	1,896.58

44.4 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

44.4.1 Category-wise classification for applicable financial assets:

Particulars	Note	As at 31-Mar-21	As at 31-Mar-20
Measured at fair value through Other Comprehensive Income (FVTOCI)			
Investment in equity shares	4	0.05	0.05
Measured at amortised cost:			
Security Deposits - Non Current	5	41.42	41.52
Security Deposits - Current	8	58.75	65.12
Loans	11	183.69	205.57
Trade receivables	8	156.24	162.51
Total		440.15	474.77

44.4.2 Category-wise classification for applicable financial liabilities:

Particulars	Note	As at 31-Mar-21	As at 31-Mar-20
Measured at amortised cost:			
Borrowings - Non current	16	60.63	66.00
Borrowings - Current (Short Term)	21	733.73	729.06
Borrowings - Current maturities of long term borrowings & fixed deposits	23	814.55	920.76
Trade payables	22	71.48	105.99
Retention money from Sub-contractors	22	13.20	15.25
Measured at fair value through Other Comprehensive Income (FVTOCI)		-	-
Total		1,693.59	1,837.06

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

45 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31-3-2021:

No.	Name of the Company	Net Assets		Share in Profit/(Loss)		Share in OCI		Share in total comprehensive income	
		As % of consol	Amt.	As % of consol	Amt.	As % of consol	Amt.	As % of consol	Amt.
Parent									
1	Valecha Engineering Limited	-5.8%	32.85	-51.7%	1.54	100.0%	(0.38)	-34.6%	1.17
Subsidiaries									
2	Valecha Infrastructure Limited	35.5%	(202.56)	2146.2%	(64.07)	0.0%	-	1904.6%	(64.07)
3	Valecha International (FZE)	-0.1%	0.30	0.0%	-	0.0%	-	0.0%	-
4	Professional Realtors Pvt. Ltd.	0.0%	(0.24)	0.0%	(0.00)	0.0%	-	0.0%	(0.00)
5	Valecha Badwani Sendhawa Tollways Limited	1.8%	(10.30)	142.8%	(4.26)	0.0%	-	126.7%	(4.26)
6	Valecha Kachchh Toll Roads Limited	94.7%	(540.08)	4154.4%	(124.02)	0.0%	-	3686.8%	(124.02)
Associate									
7	Valecha Reality Limited			0.018%	(0.001)			0.016%	(0.001)
	Total	126.2%	(720.03)	6391.7%	(190.81)	100.0%	(0.38)	5683.5%	(191.19)
	CFS Adjustment and elimination	19.8%	(112.71)	-4509.7%	134.63	0.0%	-	-4002.1%	134.63
	Minority	-46.0%	262.39	-1782.0%	53.20		-	-1581.4%	53.20
	Total	100.0%	(570.36)	100.0%	(2.99)	100.0%	(0.38)	1681.4%	(3.36)

- 46** Valecha LM Toll Private Limited (VLMTPL), a step down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL) was admitted to National Company Law Tribunal (NCLT) on 29.03.2019. Subsequently, VLMTPL has also been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. Subsequent to the Balance Sheet Date, during the liquidation proceedings, the substantial asset of VLMTPL being the Toll Collection Rights has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. The remaining assets in VLMTPL are of insubstantial value and the Holding Company do not see any chances of recovery of its loan amount. The Holding Company has therefore impaired the entire value of its loan to VLMTPL of Rs. 31.13 crores. VIL has also written off its Investments in VLMTPL.

The Company has also provided Corporate Guarantees to secured financial creditors to the extent of outstanding dues of Rs. 277.83 crores on behalf of VLMTPL which have not been evaluated for impairment provisioning in view of the same not yet being invoked.

Since the Holding Company have lost ultimate control of VLMTPL, it has derecognised VLMTPL from the consolidated financial statements during the year.

Exceptional Item in Consolidated Financial Statements for the year ended March 31, 2021 is on account of derecognition of step-down subsidiary on Liquidation.

- 47** The Holding Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 217.01 crores which includes Rs. 100.34 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 Holding Company has booked their claims on conservative basis and management believe that they have strong case for each of the claims lodged against the client. Accordingly, in the opinion of the Management, there is no need to account for expected credit losses. The Holding 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. 6.78 crores, loans given to other than related parties amounting to Rs. 117.38 crores and advances to suppliers amounting to Rs. 44.10 crores as at March 31, 2021 as it expects to recover the same in the time to come and hence has not made any provision for the same.

- 48** The Holding Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification. In view of the Settlement / restructuring of its overall debt being pursued by the Management, it expects reliefs and concessions from various lenders out of the existing liabilities / obligations towards such lenders recorded in its books and has accordingly not provided for any interest liability post March 31, 2018.

Presently, in view of the weak financial position of the Holding Company, the Holding Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on March 31, 2021 and on outstanding payments to its Vendors registered under MSME.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

- 49** The Holding Company has an outstanding principal liability of Rs. 22.80 crores as at March 31, 2021 payable to public fixed deposit holders. In view of the already weak financial position of the Holding Company, the Holding Company has not provided any further interest on these outstanding overdue deposits. Pursuant to the NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and in terms of NCLAT order dated 12.02.2020 the matter has since been subjudiced. As per these orders, the proceeds from Canara Bank and refunds from Income Tax department will be utilized for repayment of deposits to deposit holders. The Holding Company has during the year paid some deposit holders out of the Income Tax refund received during the year and is in the process of repayment of balance deposit holders based on the availability of proceeds from Canara Bank.
- 50** The Holding Company has Other Current Assets as at March 31, 2021 which includes Rs 34.28 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. The Management of Holding Company is confident of ultimate recovery of such amounts.
- 51** The Holding Company has sixteen 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 and year ended March 31, 2021. Movement in accounts of such project sites, if any, is on account of balances being written off/written back and payments / receipts being made by the Head Office division in relation to assets / liabilities of such project sites. Such Project Sites comprises total assets of Rs. 92.00 crores [including Trade Receivables Rs. 78.59 crores and loans to other parties Rs. 4.36 crores referred in note no.47 above, balances with revenue authorities of Rs. 7.32 crores referred in note no.50 above and total liabilities of Rs. 40.33 crores as at 31st March, 2021.
- 52** The Holding Company has certain in-operative Bank accounts, which have turned dormant on account of closure of sites, changes in signatories etc. The Holding Company is unable to obtain the statements of such inoperative and dormant bank accounts.
- 53** The accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities of the Holding Company are subject to confirmations, reconciliations and adjustments.
- 54** There are various Legal cases filed by/ against the company. Since the cases are ongoing and the management believes that they have a strong case. The Company do not foresee any material impacts on the financial statement of the Company.
- 55** Valecha Realty Limited (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. 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.
- 56** Valecha Kachchh Toll Roads Limited (VKTRL) continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses for the year ended 31st March, 2021 and in previous financial years. It has also continued to default in repayment of its financial obligation including interest and the construction of balance work is going at very slow pace, resulting in increase in cost of project mainly due to interest during construction period. However, as advised, the project had been halted due to non-availability of land and environment issues and on 13.05.2015, VKTRL has received PCOD (provisional commercial operation date) of for section 1 for which revenue is being generated. PCOD for Section 2 is likely to be completed by March 2022. VKTRL has also put an enhanced claim of Rs. 1373.70 crores on GSRDC till March 2020 and is hopeful of realizing the same.
- 57** The Holding Company has during the year, recognized a Sale of Investment Property which as per the documents now received was originally effected in September 2017, however due to unavailability of relevant documents, the Holding Company did not record the transaction in prior periods. During the year, the Holding Company has come into possession of the said Sale agreement through an advocate and has accordingly recorded the said sale transaction. Loss on recording of such sale transaction has been grouped under exceptional items.
- 58** On 29/09/2018, the shareholders accorded their approval for the waiver of recovery of excess managerial remuneration in respect of three Directors of the Holding Company. The Holding Company is taking necessary actions and steps for approval from Secured Lenders pursuant to the Notification dated 12/09/2018 issued by Ministry of Corporate Affairs on the subject. The Holding Company is hopeful of getting requisite approval from the secured lenders upon settlement proposal approved by them.
- 59** The Holding Company has during the year ended March 31, 2021, undertook an extensive physical verification of its fixed assets across various locations (including its ongoing project sites). During the course of such verification, the Holding Company have not been able to trace and identify certain assets which were either discarded from active use owing to the expiry of their useful life or have been appropriated by the Contractors at the closed sites due to non-payment of their dues. Accordingly, the Holding Company have impaired such fixed assets at their carrying value as at December 31, 2020 aggregating to Rs. 4.02 crores and have grouped the same under exceptional items.
- 60** The Holding Company has during the year ended 31st March, 2021, identified certain non-moving balances which in the view of Management, are not recoverable and / or payable. The aggregate of such non-moving non-recoverable balances is Rs.59.60 crores and aggregate of such non-moving non-payable balances is Rs.41.81 crores. These balances have been netted and a net expense of Rs.17.79 crores has been recorded as " Sundry balances written off".

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

- 61** During the year ended March 31, 2021, the Holding Company's appeals against the winding up orders dated 01.03.2018 and 26.04.2018 passed by the Hon'ble High Court were dismissed by the Hon'ble High Court vide orders dated 05.03.2021 and 09.03.2021. Pursuant to the dismissal of the said Appeals the Holding Company preferred a Special Leave Petition bearing No. SLP (Civil) Diary No.71031 of 2021 before the Hon'ble Supreme Court, which eventually was also dismissed by the Hon'ble Supreme Court vide Order dated 30.04.2021. However, the said order dated 30.04.2021 also granted liberty to the Holding Company to present a formal petition/application and present a scheme of settlement. One of the shareholders of the Holding Company, Valecha Investments Private Limited, holding 17.77% of the total equity shares, propounded a scheme of arrangement / compromise in pursuance of the liberty granted by the Supreme Court of India. They also filed Company Summons for Directions (L) No. 25113 of 2021 seeking appropriate orders to call for meetings of stakeholders to vote on the scheme. The Holding Company's Lead Banker State Bank of India moved an application to transfer the matter to National Company Law Tribunal (NCLT) as the Holding Company is a construction and infrastructure development company and is a going concern. Accordingly, the Hon'ble High Court vide order dated 17.12.21 passed an order directing the transfer of the Company Petition No. 761/2015 and Company Petition No. 173/2016 to NCLT.
- 62** The accumulated losses incurred in the past years have resulted in erosion of Group's Net worth. However, the management is of the opinion that subject to approval of settlement proposals with secured lenders, cost reduction measures and participation in new business finance/ JV business, the Group will be able to earn profit over next few years and may be in position to repay restructured loans and pay statutory dues. Hence, the financial statements are prepared assuming that it will continue as going concern.
- 63** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Holding Company will assess the impact of the Code and recognise the same when the Code becomes effective.
- 64** The previous period's figures have been re-grouped/ re-classified wherever required to conform to current period's classification. All figures of financials has been rounded off to nearest Crores rupees.

In term of our Report attached
For Bagaria & Co. LLP
 Chartered Accountants
 FRN : 113447W/ W-100019

For and on behalf of the Board

Vinay Somani
Partner
 Membership No. 143503
 Place : Mumbai.
 Date : 04th February, 2022

Tarun Dutta
 Chief Executive Officer

S N Kavi
 Director
 DIN : 05124904

Tejas Deshpande
 Director
 DIN : 01942507

Vijay Kumar H. Modi
 Company Secretary & Legal
 M.No. FCS 1831

Lalna B. Takekar
 Director
 DIN : 08111805

Anil S. Korppe
 Chief Financial Officer

If undelivered, please return to:

VALECHA ENGINEERING LIMITED

Registered Office:

"Valecha Chambers", 4th Floor, Plot No. B-6, Andheri New Link Road,
Andheri (West), Mumbai - 400 053.