VALECHA ENGINEERING LIMITED
(AN ISO 9001-2008 COMPANY)

VALECHA
REDEFINING INFRASTRUCTURE

Under Corporate Insolvency Resolution Process

Ref: VEL/2023-24 **04.09.2023**

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

Dear Sir/Madam,

SUB: 46TH ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,we enclose herewith copy of **46th Annual Report for the financial year 2022-23**.

The said **46th** Annual Report is placed on the Company's website i.e. https://valecha.in/Valecha-Engineering-Limited

Kindly take the same on records.

Thanking You,
Yours Faithfully,

FOR VALECHA ENGINEERING LIMITED
(UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS)

Vijaykumar Himatlal Modi

Digitally signed by Vijaykumar Himatlal Modi
DN: c=IN, o=Personal, title=0205, pseudonym=sN65wVSnrv4nBiWpGjqhKG5mHfpRZFx5, 2.5.4.20=f345f43e45f183382a6e98bb2b19d2512bf79d7ba64facf75cd4a5327955d252, postalCode=400067, st=Maharashtra, serialNumber=2f777183c1ee04e5f750e5da42247150326e4b49f872efa3f857c617e81a12a9, cn=Vijaykumar Himatlal Modi
Date: 2023.09.04 18:30:12 +05'30'

(VIJAYKUMAR H MODI)
COMPANY SECRETARY & LEGAL

VALECHA
REDEFINING INFRASTRUCTURE

VALECHA ENGINEERING LIMITED

46TH ANNUAL REPORT 2022-23

Board of Directors (Suspended)

Lalna B. Takekar	-	Non Executive Director
Sadashiv N Kavi	-	Non Executive – Independent Director
Tejas Deshpande	-	Non Executive – Independent Director up to 27.08.2022
Chetna Verma	-	Non Executive – Independent Director
Bharti Ranga	-	Non Executive – Independent Director
Achal Kapoor	-	Non Executive – Independent Director
Swati Jain	-	Non Executive – Independent Director w.e.f 27.08.2022

Resolution Professional : Mr. Anurag Kumar Sinha, Registration Number : IBBI/IPA-001/IP-P00427/2017-18/10750

Chief Executive Officer : Mr. Tarun Dutta

Company Secretary & Legal : Mr. Vijaykumar H. Modi

Chief Financial Officer : Mr. Anil S Korpe

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

Bankers : State Bank of India, Canara Bank, Axis Bank Ltd., DBS Bank India Limited., Central Bank of India and Yes Bank

Registrars and Transfer Agents : TSR 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. : 022-42633200
E-mail: investor.relations@valecha.in; https://valecha.in

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NOTICE

NOTICE IS HEREBY GIVEN THAT the **46th Annual General Meeting** of the Members of the Company will be held on **SATURDAY, 16TH SEPTEMBER, 2023 AT 11.30 A.M. (IST)** through Video Conferencing (VC)/other Audio Visual Means (OAVM) to transact the following businesses:

BACKGROUND:

Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT"), passed Order on **21.10.2022** in Company Petition no. CP (IB) No.594/MB-IV/2021, filed by STATE BANK OF INDIA, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code), for initiating Corporate Insolvency Resolution Process ("hereinafter referred to as **CIRP**") against the Company, Valecha Engineering Limited (Corporate Debtor) and appointed Mr. Anurag Kumar Sinha, Insolvency Professional having Registration Number [IBBI/IPA-001/IP-P00427/2017-18/10750] as Interim Resolution Professional (IRP), to carry out the functions as mentioned under Insolvency & Bankruptcy Code, 2016 ("hereinafter referred to as **I&B Code**").

The appointment of Mr. Anurag Kumar Sinha was confirmed/approved as the Resolution Professional ("hereinafter referred to as **RP**") of the Company by the Committee of Creditors w.e.f **30.11.2022**

As per Section 17 (1) (b) of the I&B Code, from the date of appointment of the IRP, the powers of the Board of Directors of the Company were suspended and were exercised by the Interim Resolution Professional/ Resolution Professional.

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, 2023** 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, 2023** 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 - Renewal of appointment of Ms. Swati Jain as a Non- Executive & Independent Director for a period of 1 year

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special 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. Swati Jain (DIN 09436199), who was appointed as an Non- Executive and Independent Director of the Company and whose period expires on **30.09.2023** and who has submitted a declaration that she meets the criteria of independence under Sections 149 (6) of the Companies Act, 2013 and who is eligible for re-appointment under the provisions of the Companies Act, 2013 and the Rules made there under and in respect of whom the Company has received a Notice in writing from a member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as a Non- Executive and Independent Director of the Company to hold office till **30.09.2024** and she shall not be liable to retire by rotation.

Item no. 4 - 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 modificat ion(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, who has been re-appointed for the **Financial Year 2023-24**, as approved by the Resolution Professional (in exercise of the powers of the Board of Directors by the Resolution Professional of Valecha Engineering Limited as per Section 17(1)(b) of Insolvency and Bankruptcy Code, 2016) be and is hereby ratified.

For And On Behalf Of The Board
For **Valecha Engineering Limited**
(Company under Corporate Insolvency Resolution Process)

Anurag Kumar Sinha,
Resolution Professional
Registration Number: IBBI/IPA-001/IP-P00427/2017-18/10750

Address: Flat No.3602, Redwood (Tower No. 7),
Runwal Greens, Mulund-Goregaon Link Road,
Bhandup (West), Mumbai City,
Maharashtra, 400078

Place: Mumbai
Date: **14.08.2023**

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

Notes:

1. The Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021 ,Circular No.21/2021 dated December 14, 2021 and December 28, 2022 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue.

   In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("the Act") read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

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 and 4 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.

4. The Register of Members and Share Transfer Books of the Company will remain closed from the **12.09.2023 to 16.09.2023** (both days inclusive).*

5. 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 there at, 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.

6. 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.

7. 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 **09.09.2023** on 46agm@valecha.in. The same will be replied suitably.

8. 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. Swati Jain, Non- Executive and Independent Director of the Company is 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.

9. 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 Consultants Private Limited ("RTA") in this regard.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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 Consultants Private Limited. <TRF- <trf-dmatregister@tcplindia.co.in>

15. 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.

16. 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.

17. 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.

18. 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.

19. In compliance with the MCA Circulars and SEBI Circular dated May 13, 2022, Notice of the **46th AGM** along with the Annual Report 2022-23 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 **46th AGM** and Annual Report for **FY 2022-23** 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 01.09.2023** will be sent Annual Report for the financial year 2022-23 and Notice of 46th Annual General Meeting through electronic mode.

20. 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 46agm@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.

21. 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 46th Annual General Meeting ("AGM") of the Company.

GENERAL INSTRUCTIONS:

a) **The remote e-voting period begins on Wednesday, 13th September, 2023 at 9.00 A.M. (IST) and ends on Friday, 15th September, 2023 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. Friday, 08.09.2023 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 Friday, 15th September, 2023.**

b) M/s. Ragini Chokshi & Co., Practicing Company Secretaries (Membership No.: FCS 2390; CP No: 1436), has been re-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 **Friday, 08.09.2023** 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. **Friday, 08.09.2023,** 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. Friday, 08.09.2023**, 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.nsdl.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. Friday, 08.09.2023** 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. Friday, 08.09.2023.**

g) The Scrutinizer shall submit her consolidated report to the Chairman within 48 hours from the conclusion of the AGM.

h) The result declared along with the Scrutinizer'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.nsdl.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. **16.09.2023**

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.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.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.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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 (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. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. 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. 2. 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. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. 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.
Individual Shareholders (holding securities in demat mode) login through their depository participants	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.

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.

1. 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***

2. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user 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.**

3. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

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.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

4. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
5. Now, you will have to click on "Login" button.
6. 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

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 46agm@valecha.in

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.nsdl.com to reset the password.

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 of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 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:

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 Consultants Private Limited, Registrar & Transfer Agent at csg-unit@tcplindia.co.in

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company email id: investor.relations@valecha.in). 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.**

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.

1. 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 **09.09.2023** mentioning their name demat account number/folio number, email id, mobile number at 46agm@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 46agm@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 46agm@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. 3 and 4 contained in the accompanying Notice dated **14.08.2023**

Item No. 3

Ms. Swati Jain (DIN: 09436199), aged 31 years, is a Master of Commerce (M.Com.) from CCS University and is also a Qualified Company Secretary from Institute of Company Secretaries of India (ICSI).

She possesses more than 7 years of experience in the field of Company law and Corporate Laws. She is not holding any Equity Shares in the Company.

In the meeting of Board of Directors held on **14.08.2023** and on the recommendation of the Nomination and Remuneration Committee, the re-appointment of Ms. Swati Jain (DIN: 09436199) was approved as Non- Executive and Independent Director of the Company for a second term of **1 (One) year** with effect from **01.10.2023 to 30.09.2024** based on her skills, experience, knowledge and report of her performance evaluation. Her re-appointment is subject to the approval of the shareholders at this Annual General Meeting by way of Special Resolution(s).

Hence, recommends passing of the **Special Resolution** as set out in **Item No. 3** for the re-appointment of Ms. Swati Jain 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.

Ms. Swati Jain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and LODR Regulations for her re-appointment as Non- Executive and Independent Directors of the Company and is independent of the management. The copy of the letter for appointment of Ms. Swati Jain as Non- Executive and Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

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. Swati Jain to hold the office of Non- Executive and Independent Director.

Save and except Ms. Swati Jain and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution(s) set out at **Item No. 3**.

Other Directorship:

Name of the Company	Designation
Adishakti Loha And Ispat Limited	Director
Plaza Wires Limited	Director
Golden Bio Energy Limited	Director
Ispatika International Limited	Director
Goalpost Industries Limited	Additional Director
EMS Limited	Director
Rajnish Wellness Limited	Director

Item No. 4

In the meeting of Board of Directors held on **01.08.2023**, and on the basis of the recommendation of the Audit Committee, the re-appointment of M/s. Darshan Vora & Co. Cost Accountants (Membership No.36481) was approved as the Cost Auditor of the Company for the **Financial Year 2023-24** 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. 4** of the Notice for ratification of the remuneration payable to the Cost Auditor for the **Financial Year 2023-24**.

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. 4**

Recommends passing of the Ordinary Resolution as set out in **Item No. 4** for approval of the members.

For and on behalf of the Board
FOR **VALECHA ENGINEERING LIMITED**
(COMPANY UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS)

ANURAG KUMAR SINHA,
RESOLUTION PROFESSIONAL
Registration Number: IBBI/IPA-001/IP-P00427/2017-18/10750

Address: Flat No.3602, Redwood (Tower No. 7),
Runwal Greens, Mulund-Goregaon Link Road, Bhandup
(West), Mumbai City, Maharashtra, 400078

Place: Mumbai
Date: **14.08.2023**

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	49 years
DIN	08111805
Category	Non-Executive & Non-Independent Director
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 Director of the Company and liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn.	During the FY 2022-23, Ms. Lalna Takekar has been paid Rs 1.75 Lakhs as 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 2022-23	Ms. Lalna Takekar attended all the Board meetings held during the period from 01.04.2022 to 21.10.2022.
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies, Section 8 companies] as on 31st March, 2023	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 31st March, 2023	NIL
Number of equity shares held in the Company as on 31st March, 2023	NIL

DIRECTORS' REPORT / RESOLUTION PROFESSIONAL'S REPORT

To The Members,

In exercise of the powers of the Board of Directors by the Resolution Professional of **Valecha Engineering Limited** (the Company) as per Section 17(1)(b) of Insolvency and Bankruptcy Code, 2016, hereby present the **46th** Annual Report on business and operations of the Company along with the Audited Statement of Accounts for the financial year ended **March 31, 2023**.

Financial Highlights (Standalone)	**Rs. in Crores**	
	2022-23	**2021-22**
Revenue from Operations	90.07	230.81
Other Income	3.61	7.96
Total Revenue	**93.68**	**238.77**
Profit/(Loss) before Interest, Depreciation, Exceptional Items and Tax	(16.92)	2.94
Less: Finance Cost	0.19	0.21
Profit before Depreciation, Exceptional Items and Tax	(17.11)	2.73
Less: Depreciation and Amortization Expenses	0.54	0.40
Profit /(Loss) before Exceptional Item and Tax	(17.65)	2.33
Exceptional Item	**-**	**-**
Profit/ (Loss) before Tax	(17.65)	2.33
Provision for Tax (Including earlier Year Taxation)	-	-
Profit /(Loss) after Tax	(17.65)	2.33
Other comprehensive income/(loss) for the year	(0.01)	0.89
Total comprehensive income for the year	**(17.66)**	**3.22**
Retained Earnings- Opening Balance	**(136.97)**	**(139.30)**
Add: Profit/ (Loss) for the Year	(17.65)	2.33
Retained Earnings- Closing Balance	**(154.62)**	**(136.97)**

1. **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:**

   1. Hon'ble National Company Law Tribunal, Mumbai bench ("Hon'ble NCLT"), passed Order dated **21/10/2022** in Company Petition no. CP (IB) No.594/MB-IV/2021 filed by **STATE BANK OF INDIA**, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against the Company, Corporate Debtor/Respondent, for initiating Corporate Insolvency Resolution Process ("CIRP") and appointed **Mr. Anurag Kumar Sinha, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/ IP-P00427/2017-18/10750]** as Interim Resolution Professional, to carry out the functions as mentioned under I&B Code.

   2. The appointment of Mr. Anurag Kumar Sinha was confirmed/approved as the Resolution Professional ("RP") of the Company by the Committee of Creditors w.e.f **30.11.2022**. As per Section 17(1) (a) of the I&B Code, from the date of appointment of the IRP, the management of affairs of the Corporate Debtor was vested in the IRP/ RP and as per Section 17(1) (b), the powers of the board of directors stood suspended and was exercised by the IRP/ RP.

2. **Share Capital:** The paid up Equity Share Capital as on **31st March, 2023** was Rs. 22.53 Crores.

3. **Dividend:** The Company being under CIRP and in view of the carried forward losses incurred during the year under review, the RP does not recommend any dividend for the year ended **31st March, 2023**.

4. **Reserves:** No amount is being transferred to reserves.

5. **Operations/ State of affairs during the year:**

   Standalone: The Company has achieved a turnover of Rs. 90.07 crores for the year ended 31st March, 2023 against Rs. 230.81 crores in the previous year. The Company has incurred loss of Rs. 17.65 crores against the Profit after Tax of Rs. 2.33 crores in the previous year.

   The company has achieved a consolidated turnover of Rs. 113.69 crores for the year ended **31st March, 2023** against Rs. 234.43 crores in the previous year. The company has incurred a consolidated after tax loss of Rs. 484.97 crores against the Loss after tax of Rs 169.84 crores in the previous year.

6. **Fixed Deposits:** As on **31st March, 2023**, Fixed Deposits accepted by the Company stood at Rs.22.94 Crores as against Rs. 22.80 Crores in the previous year.

   Details relating to deposits covered under The Companies (Acceptance of Deposits) Rule, 2014 for the Financial Year 2022-23; No deposits were re-paid during the year to Fixed Deposit holders.

7. **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.

8. Changes in the nature of business There has been no change in the nature of business

9. UPDATE:

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

   NCLT, Mumbai has passed Order 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 and has appointed Mr. Udayraj Patwardhan, Resolution Professional having IBBI Registration No. IBBI/IPA-001/IP-PP00024/2016-2017/10057, as Liquidator of the Corporate Debtor.

2. The Subsidiary Company Valecha Kachchh Toll Roads Limited (VEL Stake – 58.15%).

   The Canara Bank Limited, Financial Creditor has filed Petition No. C.P. (IB)/360(MB)2023 under Section 7 of I&B Code, 2016 with Hon'ble National Company Law Tribunal, Mumbai bench ("Hon'ble NCLT") against Corporate Debtor i.e Valecha Kachchh Toll Roads Limited, for initiation of CIRP. The hearings are under progress in the matter.

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)

	2022 - 23	2021 - 22
Foreign Exchange Outgo	NIL	NIL
Foreign Exchange Earned	NIL	NIL

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

As on **31st March, 2023**, the Company has the following 6 subsidiaries namely:-

1. Valecha Infrastructure Limited
2. Professional Realtors Private Limited
3. Valecha LM Toll Private Limited (under liquidation)
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 as on **31.03.2023** on its website www.valecha.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 2022-23. 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, 2023** 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 **30.09.2019**, **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. 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, and on the recommendation of the Audit Committee M/s Darshan Vora & Co (M/36481), Cost Accountant, has been re-appointed as the Cost Auditor of the Company for the year 2023-24.

M/s Darshan Vora & Co have confirmed that their re-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, **M/s Ragini Chokshi & Co, Practicing Company Secretary (Membership No.2390)**, firm of Company Secretaries in practice, has been re-appointed to undertake the Secretarial Audit for the financial year ended **31st March, 2023**. 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:**

The tenure of Directorship of existing Independent Directors of the Company namely, Ms. Chetna Verma (DIN: 08981045), Ms. Bharti Ranga (DIN: 06864738) and Mr. Achal Kapoor (DIN: 09150394) ceases / expires at the 46th Annual General Meeting and they are not eligible to reappointment pursuant to the provision of Section 149 (11) of the Companies Act, 2013.

- **Appointment of Directors:** The Board of Directors in its meeting held on **27.08.2022,** have appointed Ms. Swati Jain (DIN: 09436199) as an Additional Non Executive – Independent Directors of the Company.
- **Resignation of Directors:**
- The Board of Directors in its meeting held on **27.08.2022,** have accepted resignation of Mr. Tejas Deshpande as a Non Executive – Independent Directors of the Company.
- Mr. S. N. Kavi, a Non-Executive – Independent Directors has submitted resignation letter dated **19.07.2023** to the Company**.**
- **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) and Ms. Swati Jain (DIN: 09436199) Non Executive & 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** Since the powers of the Board of Directors has been suspended with effect from **21.10.2022** pursuant to Hon'ble NCLT Order dated **21.10.2022**, the question of evaluation of Board does not arise.

18. **Meetings of the Board of Directors:** The details of the number of meetings of the Board held during the financial year **2022-23** 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**

c) Having not appointed any Managing Director and Whole Time Directors during the year under review, the question of payment of Remuneration does not arise.

d) 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**

The total sitting fees paid to Non-Executive & Independent Directors from **01.04.2022 to 21.10.2022** is as below.

Sr. No.	Name of Directors	Total Sitting Fees from 01.04.2022
1	Mrs. Lalna Takekar	1,75,000
2	Mr. Tejas Deshpande	40,000
3	Mr. S.N. Kavi	80,000
4	Ms. Chetna Verma	2,00,000
5	Ms. Bharti Ranga	2,00,000
6	Mr. Achal Kapoor	2,00,000
7	Ms. Swati Jain	50,000
	Total	**9,45,000**

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, 2023 is available on Company's website at www.valecha.in. The same can be accessed by clicking on the web link: https://valecha.in/Investor-Room/Other-Disclosure

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, it is stated that:

(a) In the preparation of the annual accounts for the year ended **31st March, 2023**, 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 2022-23 and of the loss for the year ended **31st March, 2023.**

(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, 2023** 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 RP wishes to place on record his appreciation to all employees of the Company for their continued contribution to the performance of the Company and to all the Shareholders, Customers and various Authorities for their continued support during the year. The RP also wishes to give sincere thanks and gratitude to Bankers/NBFCs who are continuously supporting the Company and its group at all the times for achieving its goal. The RP has signed the Annual Report for administrative purpose only and without having any liability on his part.

For **Valecha Engineering Limited**
(Company under Corporate Insolvency Resolution Process)

Anurag Kumar Sinha,
Resolution Professional
Registration Number: IBBI/IPA-001/IP-P00427/2017-18/10750

Address: Flat No.3602, Redwood (Tower No. 7),
Runwal Greens, Mulund-Goregaon Link Road,
Bhandup (West), Mumbai City, Maharashtra, 400078

Place: Mumbai
Date: 14.08.2023

FORM NO MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE PERIOD 01-04-2022 TO 31-03-2023

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, 2023**. 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 **April 01, 2022 to March 31, 2023** 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, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) 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;

(v) 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 ((Listing Obligations and Disclosure Requirement) Regulations, 2015;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the period under review)**

e) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **(Not applicable during the period under review)**

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable during the period under review)**

g) 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)**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the period under review)**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(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

We are unable to provide comments on the aforementioned laws as they do not fall under the purview of Secretarial Audit.

The position of the company remains status quo from 05.03.2021 (Bombay High Court Order) to 21.10.2022 (NCLT Order)

Honourable, NCLT, Mumbai, vide their order dated 21/10/2022 in Company Petition no. CP (IB) No.594/MB-IV/2021 filed by STATE BANK OF INDIA, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against the Company, Corporate Debtor/ Respondent, for initiating Corporate Insolvency Resolution Process (CIRP).

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.

(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:

- The company could not comply with the provisions of regulations 13(3) & (4), 17(1)(a), 18(1)(d), 19(2), 23(9), 31(3), 33(3), 46(2)(i), 47(1), Schedule II Part C and Schedule III Part A under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

**Pursuant to Regulation 15(2A) and 15(2B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions as specified in regulations 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016. However, the role and responsibilities of the board of directors as specified under regulations 17, 18, 19, 20 and 21 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency and Bankruptcy Code, 2016.*

- As per section 178 of Companies Act 2013 and the rules made thereunder the Company could not comply with the requirement of having an Independent Director as the Chairperson of Nomination and Remuneration Committee for the period August 28, 2022 up to March 31, 2023.

We further report that

Consequent upon Non-payment of Fixed Deposits and Interest due thereon, pursuant to Section 164(2)(b) of the Companies Act, 2013 read with Schedule V, the Company is restrained to appoint Managing Director/ Whole Time Director/Manager for the financial year 2021-22 and 2022-23.

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. Regularization of Additional Director, Ms. Chetna Verma (DIN: 08981045) as a Non- Executive & Independent Director on March 31, 2022.

3. Regularization of Additional Director, Ms. Bharti Ranga (DIN: 068M738) as a Non- Executive & Independent Director on March 31, 2022.

4. Regularization of Additional Director, Mr. Achal Kapoor (DIN: 09150394) as a Non- Executive & Independent Director on March 31, 2022.

5. Resignation of Mr. Tejas Deshpande (DIN NO.06397113) as Non-Executive & Independent Director of the Company w.e.f. August 27, 2022.

6. Appointment of Ms. Swati Jain (DIN: 09436199) as Additional Non-Executive & Independent Director of the company w.e.f. August 27, 2022.

7. Honourable, NCLT, Mumbai, vide their order dated October 21, 2022 appointed Mr. Anurag Kumar Sinha as Interim Resolution Professional of the Company to carry out the functions as mentioned under I&B Code, 2016 for initiation of CIRP.

For Ragini Chokshi & Co
(Company Secretaries)

Makarand Patwardhan
(Partner) C.P. No. : 9031
Membership No. : 11872
UDIN:A011872E000743658
PR NO. : 689/2020

Place: Mumbai
Date: 04.08.2023

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**
(Company Secretaries)

Makarand Patwardhan
(Partner) C.P. No. : 9031 Membership No. : 11872
UDIN:A011872E000743658
PR NO:689/2020:

Place: Mumbai
Date: 04.08.2023

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] 2022-23

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, 2023

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:

Prior to commencement of CIRP, the Board of the Company comprised of 5 (Five) Non-Executive and Independent Directors & 1(One) Non-Executive and Non-Independent Directors. The composition of the Board was in conformity with Regulation 17 of SEBI LODR read with Section 149 of the Act.

The powers of the Board of Directors got suspended due to initiation of CIRP. Mr. Anurag Kumar Sinha was appointed as the IRP.

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

There were 6 Board Meetings were held during the period from **01.04.2022 to 31.03.2023** namely:

1. 04.06.2022	2. 27.08.2022	4. 28.10.2022	6. 14.02.2023 - Board Meeting, Adjourned
	3. 27.09.2022	5. 28.11.2022	6A. 17.02.2023 – Adjourned, Board Meeting

None of the suspended 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	4	No	4	3	-
*Mr. Tejas Deshpande	Non-Executive and Independent Director	01942507	1	No	3	3	3
Mr. S.N. Kavi	Non-Executive and Independent Director	05134904	4	No	0	3	-
**Ms. Chetna Verma	Non-Executive and Independent Director	08981045	4	No	4	1	1
***Ms. Bharti Ranga	Non-Executive and Independent Director	06864738	4	No	2	0	-
****Mr. Achal Kapoor	Non-Executive and Independent Director	09150394	4	No	6	8	2
*****Ms. Swati Jain	Non-Executive and Independent Director	09436199	2	No	7	2	2

* Mr. Tejas Deshpande resigned as a Non-Executive and Independent Director of the Company w.e.f. 27.08.2022.

** Ms. Chetna Verma will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

*** Ms. Bharti Ranga will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

**** Mr. Achal Kapoor will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

***** Ms. Swati Jain was appointed as a Non-Executive and Independent Director of the Company w.e.f. 27.08.2022 and her appointment was regularised at the Annual General Meeting held on 30.12.2022

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:

Prior to the initiation of CIRP and suspension of the Board w.e.f. **21.10.2022,** the Board had constituted Audit committee with members as mentioned below, to enable better management of the affairs of the Company, with terms of reference in line with provisions of the Act and SEBI LODR Regulations.

Name of Director	Category	Chairman/Member
Mrs. Lalna Takekar	Non-Executive Director	Chairperson
*Mr. Tejas Deshpande	Non-Executive Independent Director	Member
Mr. S.N. Kavi	Non-Executive Independent Director	Member
**Ms. Chetna Verma	Non-Executive Independent Director	Member
***Ms. Bharti Ranga	Non-Executive Independent Director	Member
****. Achal Kapoor	Non-Executive Independent Director	Member

* Mr. Tejas Deshpande resigned as a Non-Executive and Independent Director of the Company w.e.f. 27.08.2022.

** Ms. Chetna Verma will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

*** Ms. Bharti Ranga will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

**** Mr. Achal Kapoor will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

Meetings of the Audit Committee:

The Audit Committee met 6 times during the year 2022-2023 namely:

1. 04.06.2022	2. 27.08.2022	4. 28.10.2022	6. 14.02.2023 - Audit Committee Meeting, Adjourned
	3. 27.09.2022	5. 28.11.2022	6A. 17.02.2023 – Adjourned, Audit Committee Meeting

The attendance of the members at the Audit Committee meetings held during the period from **01.04.2022 to 21.10.2022** was as follows:

Name of Director	Position	Attendance at Meetings
Mrs. Lalna Takekar	Chairperson	4
Mr. Tejas Deshpande	Member	1
Mr. S.N. Kavi	Member	4
Ms. Chetna Verma	Member	3
Ms. Bharti Ranga	Member	3
Mr. Achal Kapoor	Member	3

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.

Prior to the initiation of CIRP and suspension of the Board w.e.f. **21.10.2022,** the Board had constituted Nomination and Remuneration Committee as mentioned below, to enable better management of the affairs of the Company, with terms of reference in line with provisions of the Act and SEBI LODR Regulations.

Name of Director	Category	Chairman/Member
Mrs. Lalna Takekar	Non-Executive Director	Chairperson
*Mr. Tejas Deshpande	Non-Executive Independent Director	Member
Mr. S.N. Kavi	Non-Executive Independent Director	Member
**Ms. Chetna Verma	Non-Executive Independent Director	Member
***Ms. Bharti Ranga	Non-Executive Independent Director	Member
**** Mr. Achal Kapoor	Non-Executive Independent Director	Member

* Mr. Tejas Deshpande resigned as a Non-Executive and Independent Director of the Company w.e.f. 27.08.2022.

** Ms. Chetna Verma will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

*** Ms. Bharti Ranga will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

**** Mr. Achal Kapoor will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

The Company Secretary acts as the Secretary to the meeting

Remuneration policy and Remuneration paid to Directors: The sitting fees paid to the Non-Executive Directors for the F.Y. 2022-2023 was Rs. 10,000/- per meeting (details mentioned below in the table) of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee

For the period from 01.04.2022 to 21.10.2022 (Rs.)

Sr. No.	Name of Directors	Total Sitting Fees
1	Mrs. Lalna Takekar	1,75,000
2	Mr. Tejas Deshpande	40,000
3	Mr. S.N. Kavi	80,000
4	Ms. Chetna Verma	2,00,000
5	Ms. Bharti Ranga	2,00,000
6	Mr. Achal Kapoor	2,00,000
7	Ms. Swati Jain	50,000
	Total	**9,45,000**

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

Performance Evaluation criteria for Directors: Since the powers of the Board of Directors has been suspended with effect from **21.10.2022** pursuant to Hon'ble NCLT Order dated **21.10.2022**, evaluation of Board has not taken place during the year under review.

5. Independent Directors' Meeting: During the period from **01.04.2022 to 21.10.2022**, the Independent Directors met on **27.09.2022** *inter alia*, to:

a) Review the performance of Non-Independent Directors and the Board as a whole;

b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors

c) 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.

The CIRP commenced on **21.10.2022**. After initiation of CIRP, no Meeting of Independent Directors was convened.

6. 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

7. 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, 2023**, were duly addressed by the Company/Registrar & Transfer Agent, **TSR 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.

Prior to the initiation of CIRP and suspension of the Board w.e.f. **21.10.2022,** the Board had constituted Stakeholders Relationship Committee with members as mentioned below, to enable better management of the affairs of the Company, with terms of reference in line with provisions of the Act and SEBI LODR Regulations, 2015.

Name of Director	Category	Chairman/Member
Mrs. Lalna Takekar	Non-Executive Director	Chairperson
*Mr. Tejas Deshpande	Non-Executive Independent Director	Member
Mr. S.N. Kavi	Non-Executive Independent Director	Member
**Ms. Chetna Verma	Non-Executive Independent Director	Member
***Ms. Bharti Ranga	Non-Executive Independent Director	Member
****Achal Kapoor	Non-Executive Independent Director	Member

* Mr. Tejas Deshpande resigned as a Non-Executive and Independent Director of the Company w.e.f. 27.08.2022.

** Ms. Chetna Verma will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

*** Ms. Bharti Ranga will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

**** Mr. Achal Kapoor will be ceased to be Non-Executive and Independent Director of the Company w.e.f . 30.09.2023

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

During the year under review, all the complaints received from the shareholders were resolved.

8. 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.

9. 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.

10. 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.

11. 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
30.12.2022 for the Financial Year 2021-22	9.30 am	To approve the request received from Mr. Dinesh Valecha, Dinesh Valecha- Karta for Hariram Pyarelal Valecha (HUF) and Mrs. Geeta Valecha for re-classification of their status from 'Promoter' category to 'Public' category in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Regulation 31A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Through Video Conferencing (VC)/other Audio Visual Means(OAVM) at the Registered Office of the Company
		Regularization of Additional Director, Ms. Swati Jain as a Non- Executive & Independent Director	149,150 & 152	
		Renewal of appointment of Ms. Chetna Verma as a Non- Executive & Independent Director for a period of 1 year		
		Renewal of appointment of Ms. Bharti Ranga as a Non- Executive & Independent Director for a period of 1 year		
		Renewal of appointment of Mr. Achal Kapoor as a Non- Executive & Independent Director for a period of 1 year		
		To consider the ratification of payment of remuneration to the Cost Auditor	148	
31.03.2022 for the Financial Year 2020-21	9.30 am	Regularization of Additional Director, Ms. Chetna Verma as a Non- Executive & 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, Ms. Bharti Ranga as a Non- Executive & Independent Director		
		Regularization of Additional Director, Mr. Achal Kapoor as a Non- Executive and Independent Director		
		To consider the ratification of payment of remuneration to the Cost Auditor	148	
30.09.2020 for the Financial Year 2019-20	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.	148	

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

12. Disclosures:

1. 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.
2. The Directors' Report includes details of Management Discussion and Analysis including Risks & Concerns.
3. Whistle Blower Policy: The Company takes cognizance of complaints made and suggestions given by the employees and others.
4. The mandatory requirements as per SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 have been complied with by the Company.

13. 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.

14. **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.

15. **Code of Conduct:** Prior to the commencement of CIRP, 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 Key Managerial Personnels have 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 **31.03.2023** have been obtained from the Directors and Senior Management Personnel of the Company.

For and on behalf of the Board

For VALECHA ENGINEERING LIMITED

Tarun Dutta	**Anil Korpe**	**Vijaykumar H. Modi**
Chief Executive Officer	Chief Financial Officer	Company Secretary

Date : **14.08.2023**
Place : Mumbai

16. **CEO/CFO Certification:** The Chief Executive Officer and the Chief Financial Officer of the Company have issued a certificate to the Resolution Professional for the financial year ended **31st March, 2023**.

17. **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.

18. **General Shareholder Information:**

46th Annual General Meeting	**Day & Date** : **SATURDAY, 16TH SEPTEMBER, 2023** **Time** : **11.30 A.M.** **Venue : Through Video Conferencing/ OVAM at the Registered Office of the Company**	
Book Closure	The Register of Members and Share Transfer Books of the Company will remain closed from the **12.09.2023 to 16.09.2023** (both days inclusive).	
Cut-off Date	**Friday, 08.09.2023**	
Period of E-voting	**Starts on Wednesday, 13th September, 2023 at 9.00 A.M. (IST) and ends on Friday, 15th September, 2023 at 5:00 P.M. (IST)**	
Financial Calendar	April to March (Financial year) First Quarter Results – 1st/2nd week of August Second Quarter Results – 1st/2nd week of November Third Quarter Results – 1st/2nd week of February Annual Audited Result – Last week of May	
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	The Company has made application to BSE Limited and National Stock Exchange of India Limited for revocation of suspension of trading. The Company has paid Annual Listing Fees for the FY 2022-23 and 2023-24 to BSE & NSE.	

Registrar and Transfer Agents	**TSR 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, 2023.**

SHARES RANGE		Shareholders		Share Amount	
		No.	% to Total	Rs.	% to Total
1	500	11850	81.9162	18292200	8.119
501	1000	1311	9.0626	10703860	4.7509
1001	2000	662	4.5762	10152860	4.5064
2001	3000	238	1.6452	6070410	2.6944
3001	4000	108	0.7466	3864570	1.7153
4001	5000	79	0.5461	3749280	1.6641
5001	10000	124	0.8572	9224060	4.0941
10001	Above	94	0.6499	163243010	72.4558
TOTAL		**14,466**	**100**	**22,53,00,250**	**100**

Shareholding Pattern as on 31.03.2023			
Sr. No.	**Category**	**No. of Shares**	**%**
1	Promoters (Promoter group)	**4076676**	**18.09**
2	NRI's	894299	3.97
3	Financial Institutions/Mutual Fund	699772	3.11
4	Foreign Institution Investors	2371250	10.52
5	Foreign company	1000000	4.44
6	Banks	180	0.00
7	Other Body Corporate	1469292	6.52
8	Clearing Members	7510	0.03
9	Body Coroprate - Ltd Liability Partnership	24184	0.11
10	Shares held by Custodians issued against GDRs		
11	Indian Public	1,17,42,466	52.12
12	Trust	600	0.00
13	Investor Education Protection Fund	243796	1.08
	TOTAL		

* Dematerialization of Shares: As on **31st March, 2023**, **98.70%** of the Company's total shares representing **2,22,37,803** 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 **Valecha Engineering Limited**
(Company under Corporate Insolvency Resolution Process)

Anurag Kumar Sinha,
Resolution Professional
Registration Number: IBBI/IPA-001/IP-P00427/2017-18/10750

Address: Flat No.3602, Redwood (Tower No. 7),
Runwal Greens, Mulund-Goregaon Link Road,
Bhandup (West), Mumbai City, Maharashtra, 400078

Place: Mumbai
Date: 14.08.2023

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, 2023 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).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Company Secretaries of India (the "ICSI"), was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given, as per SEBI Listing Regulations for the year ended March 31, 2023.

We certify that NCLT, Mumbai, vide their order dated October 21, 2022 appointed Mr. Anurag Kumar Sinha as Interim Resolution Professional of the Company. Pursuant to Regulation 15(2A) and 15(2B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions as specified in regulations 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016. However, the role and responsibilities of the board of directors as specified under regulations 17, 18, 19, 20 and 21 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency and Bankruptcy Code, 2016.

- As per regulation 46(2)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Familiarization program imparted to Independent Director does not contain information regarding 1) no of programme attended during the year 2) no of hours spent by independent director in such programme.

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.**
(Company Secretaries)

Makarand Patwardhan
(Partner)
C.P.NO. 9031
ACS NO. 11872
UDIN:A011872E000743592
PR Certificate no.: 689/2020

Place: Mumbai
Date: 04.08.2023

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 March 31, 2023 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.	CHETNA VERMA	08981045	22/12/2021
2.	SADASHIV NARAYAN KAVI	05134904	14/11/2019
3.	LALNA BHARAT TAKEKAR	08111805	28/03/2019
4.	ACHAL KAPOOR	09150394	22/12/2021
5.	BHARTI RANGA	06864738	22/12/2021
6.	SWATI JAIN	09436199	27/08/2022

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.**
(Company Secretaries)

Makarand Patwardhan
(Partner)
C.P.NO. 9031
ACS NO. 11872
UDIN:A011872E000743977
PR Certificate no.: 689/2020

Place: Mumbai
Date: 04.08.2023

Resolution Professional's Disclaimer and Disclosure

It is pertinent to note that from the date of the appointment of IRP, the power of the Board of Directors stood suspended. Further, there are only Non-Executive and Independent Directors in the Company.

As such, the RP has made all practical and reasonable efforts from time to time to get information/ data from the officials of the Company in relation to the preparation of the financial statements of the Company. It is to be noted that in this regard that the financial statements for the **FY 2022-23**, as well as the information provided to the Auditors for the purpose of audit of the same, partly pertains to the period prior to the appointment of the RP, i.e., period prior to **21.10.2022** and Period after **22.10.2022** to **31.03.2023**. Further, while collecting and disseminating the said information, the RP has relied upon and assumed the accuracy /veracity of data provided by the officials of the Company and the records of the Company made available to RP which the RP has assumed that these are in conformity with the applicable law(s) and gives a true and fair view of the position of the Company for the period indicated therein and accordingly provided the same to the auditors for their audit. The RP takes no onus with respect to the validity and authenticity of such information. The RP has not verified the information provided by the officials of the Company and has placed confidence on them in good faith and also on the data/ information provided by them to him. The RP believes that the information provided to the auditors for the purpose of audit of the same does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, are not misleading.

It is also pertinent to note that significant financial information is static in nature and carried from the previous year. It is further pertinent to note that regular monitoring of all the project related matters are being done by the related head of the departments and the CEO. Further, wherever require, the project related issues are being brought to the knowledge of the RP for his information/record/decision etc. The RP accordingly, is relying on the representation made by CEO and his team regarding accuracy, veracity and sufficiency of information and as such, RP is not personally liable for the same.

Further, the RP has relied on the certifications, representations and statements made by the existing personnel of the Company. The RP has signed the financial statements for **FY 2022-23** for administrative purpose only without any onus or liability.

In case any material information is disclosed to the RP, the RP reserves the right to take such suitable steps as required under the law.

For **Valecha Engineering Limited**
(Company under Corporate Insolvency Resolution Process)

Anurag Kumar Sinha,
Resolution Professional
Registration Number: IBBI/IPA-001/IP-P00427/2017-18/10750

Address: Flat No.3602, Redwood (Tower No. 7),
Runwal Greens, Mulund-Goregaon Link Road,
Bhandup (West), Mumbai City, Maharashtra, 400078

Place: Mumbai
Date: 14.08.2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Introduction

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress.

Infrastructure is a key enabler in helping India become a US $26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Mr. Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors.

Market Size

In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to Rs.10 lakh crore (US$ 122 billion), which would be 3.3 per cent of GDP.

As per the Union Budget 2023-24, a capital outlay of Rs. 2.40 lakh crore (US$ 29 billion) has been provided for the Railways, which is the highest ever outlay and about 9 times the outlay made in 2013-14.

Started with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports. Under the initiative, 2476 projects are under development phase with an estimated investment of US$ 1.9 trillion. Nearly half of the under-development projects are in the transportation sector, and 3,906 in the roads and bridges sub-sector.

India plans to spend US$ 1.4 trillion on infrastructure through 'National Infrastructure Pipeline' in the next five years. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US$ 81.72 billion.

Government Initiative and investment

Some of the recent government initiatives and investments in the Infrastructure sector are as follows:

- Budget 2023 provides INR10 lakh crore allocation for development of the infrastructure sector which will enhance growth potential, job creation, pool private investments and provide a cushion against global headwinds.
  - Highest capital outlay of INR2.40 lakh crores allocated to Railways
  - 100 critical transport infrastructure projects with capital expenditure of INR75,000 crores identified for last and first mile connectivity including INR15,000 crores from private sector.
  - 50 additional airports, heliports, water aerodromes and advance landing grounds to be revived for improving regional air connectivity
  - Policy announcement proposed to support Green Growth:
  - Viability Gap Funding for Battery Energy Storage Systems with capacity of 4,000MWH.
  - Investment of INR20,700 crores including central support of INR8,300 crores proposed for Inter-state transmission system for evacuation and grid integration of 13 GW renewable energy to be constructed from Ladakh.
  - Green Credit Programme to be notified under the Environment (Protection) Act to incentivize environmentally sustainable and responsive actions.
- Coastal shipping will be promoted as the energy efficient and lower cost of transport, both for passengers and freight, through PPP mode with viability gap funding.
- Urban Infrastructure Development Fund will be established through use of priority sector lending shortfall for creating urban infrastructure in Tier 2 and Tier 3 cities.
- Harmonized Master List of Infrastructure will be reviewed by an expert committee for recommending classification and financing framework.
- Newly established Infrastructure Finance Secretariat will assist for more private investment in infrastructure sector.
- States and cities will be encouraged to undertake reforms and actions to transform cities into 'sustainable cities of tomorrow'.
- 50-year interest free loan to State Governments extended for one more year to spur investment in infrastructure and incentivize State Governments for complementary policy actions

Road Ahead

Over the last seven to eight years, we have witnessed a great impetus on infrastructural development in the country. The government has implemented stringent monitoring systems across project life cycles, countering frequent project delays and yielding results within the stipulated timeline.

The roadmap to India's infrastructure is exciting and the new decade seems to be promising. More and more green and clean initiatives are happening across government bodies in major countries, especially, the Indian government has given the much-needed push to the infrastructure sector in the recent 2021 budget. India is looking at a US$ 5 trillion economy dream.

Today, our country also has all the resources to create state-of-the-art infrastructure – a young population, a substantial skilled workforce and availability of the latest technology and new-age materials.

Financial and Operational Performance

The Company has achieved a turnover of Rs. 90.07 crores for the year ended **31st March, 2023** against Rs. 230.81 crores in the previous year.

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.

SIGNIFIACANT CHANGES IN KEY FINANCIAL RATIOS COMPARED TO PREVIOUS YEAR

Sr. No.	Particulars	2022-23	Change %
1	Debtors Turnover	NA	NA
2	Current Ratio	0.95	-11%
3	Debt Equity Ratio	28.14	81%
4	Operating Profit Margin (%)	-22.79%	948%
5	Net Profit Margin (%)	-19.60%	-2041%

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

Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

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

Qualified Opinion

We have audited the accompanying standalone financial statements of **Valecha Engineering Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "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 2023, its loss, 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:

i. As explained in Note No. 45 to the Standalone Financial Statements, Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. The Company has not made any impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" nor made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect of loan of Rs. 73.46 crores and Investment made of Rs. 39.84 crores and Corporate guarantees provided of Rs. 990.47 Crores.

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

ii. As explained in Note No. 46 to the Standalone Financial Statements, Valecha LM Toll Private Limited (VLMTPL), an erstwhile step down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL) is undergoing liquidation under Insolvency and Bankruptcy Code, 2016 vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai. Consequently, the assets of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. Further, Corporate Guarantees given by VEL of Rs. 261.14 Crores has been invoked by the secured financial creditors of VLMTPL against the Company. However, the Company has not made any provision towards such invocation of Corporate Guarantees.

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

iii. As explained in Note No. 47 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 and Step-Down Subsidiary whose respective net-worth is completely eroded on account of continued losses incurred in the past:

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

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

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

iv. As explained in Note No. 48 to the Standalone Financial Statements, the Company has not evaluated expected credit losses for outstanding Trade Receivables of Rs. 298.97 crores which includes Rs. 99.45 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under consideration and deliberation before various authorities.

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

v. As explained in Note No. 49 to the Standalone Financial Statements, the Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification and has not provided for any further interest liability in relation to its outstanding debts.

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

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

vi. As explained in Note No. 50 to the Standalone Financial Statements, the Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of its already weak financial position, the Company has not made any provision of interest on these outstanding fixed deposits.

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

vii. As explained in Note No. 51 to the Standalone Financial Statements, Other Non-Current Assets as at March 31, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.

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

viii. As explained in Note No. 52 to the Standalone Financial Statements, the Company has sixteen project sites comprising of total assets of Rs. 84.36 crores [including Trade Receivables of Rs.70.46 crores and loans to other parties of Rs. 5.54 crores referred in point iv above, balances with revenue authorities of Rs. 8.33 crores referred in point vii above] and total liabilities of Rs. 26.70 crores as at March 31, 2023. These project sites have either been de-mobilized or completed or otherwise shut or non-operational. Details of transactions effecting, if any, through Bank accounts previously operated through such project sites is not available. There have been no operations in such project sites during the year ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written off or written back.

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

ix. As explained in Note no 53 to the Standalone Financial Statements, 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 for the year ended March 31, 2023.

x. As explained in Note no 54 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 for the year ended March 31, 2023, the amounts whereof are presently not ascertainable.

In absence of such third Party confirmations and reconciliations, we are unable to comment on the resultant impact if any on the standalone financial statements for the year ended March 31, 2023.

xi. As explained in Note No. 56 to the Standalone Financial Statements, the Company operations and activities were suspended vide Court Orders dated 05.03.2021 and 09.03.2021. However, to complete the ongoing existing projects being undertaken by the Company, Gopaldas Vasudev Construction Private Limited, a related party of the Company carried out activities relating to the management of the vendor payments, site expenses and administrative expenses for ongoing projects ("project payables") for and on behalf of the Company. During the year ended March 31, 2023, the Company has transferred an aggregate sum of Rs. 14.16 crores respectively to the said related party to manage project payables for and on behalf of the Company. Out of the above funds, Rs.13.38 crores respectively has been utilized towards the project payables and debited to the Company. The Company has also appropriately accounted all such project payables in its books of account.

We are unable to comment on the consequential impact if any arising out of the above course of transactions undertaken by the Company on the standalone financial statements for the year ended March 31, 2023.

xii. There are various Legal Cases filed by / against the Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the standalone financial statements for the year ended March 31, 2023, the amounts whereof are presently not ascertainable.

The matters stated above except point (i) were also subject matter of qualification in our audit conclusion/ opinion on the standalone financial statements for the year ended March 31, 2022.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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. 49 & Note No. 55 to the Standalone Financial Statements which indicates that the Company has accumulated losses and its net worth has been substantially eroded and there has been defaults in repayment of various borrowings and deposits. These conditions, along with the commencement of CIRP proceedings as set forth in Note No 42, 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.55 to the Standalone Financial Statement.

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 standalone 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**	
	There are significant accounting judgment including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition. 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. Refer to Note No. 2.7 Summary of significant accounting policies – "Revenue Recognition" of the Standalone Financial Statements	Our procedures included: • 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 Management 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 statement 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 Resolution Professional is currently managing the operations of the company and Standalone Financial Statements have been prepared on going concern basis. The Company's Management 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 (including 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.

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

In preparing the standalone financial 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 Company's Management is 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 standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 Company 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 standalone 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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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. As required by 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, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) Except for the matters stated in "Basis for Qualified Opinion" paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) Except for the matters stated in "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 and records.
   (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows 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 Companies (Indian Accounting Standards) Rules, 2015.
   (e) The matters described in the "Basis for Qualified Opinion" 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 as on 31st March, 2023 taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to Standalone financial statements 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 Section 197(16) of the Act, 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 other 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. 32 & 57 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.

iii. There has been no delay in transfer of amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) during the year by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company during the year from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

v. The Company has not declared or paid any dividend during the year ended March 31, 2023 and hence reporting compliance of Section 123 of the Act is not applicable.

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

Vinay Somani
Partner
Membership No. 143503
UDIN: 23143503BGWEOJ1389

Place: Mumbai
Date: August 1, 2023

ANNEXURE "A" REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED 31st March, 2023

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) In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:

A. The Company has maintained proper records, showing full particulars including quantitative details and situation of its PPE.

B. The Company does not have any intangible assets.

b) As explained to us, the Company has a phased program for physical verification of the property, plant & equipment for all major locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its property, plant and equipment. Pursuant to the program of the physical verification of property, plant and equipment, physical verification of the assets has been carried out during the year and no material discrepancies were noticed on such verification.

c) Based on 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 other than properties where the company is lessee and lease agreements are duly executed in favour of the Company, are held in the name of the Company.

d) The Company has not revalued any of its Property, Plant and equipment (including right- of-use assets) and intangible assets during the year. Accordingly, the provisions of Clause 3(i)(d) of the Order are not applicable to the Company.

e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated during the year or are pending as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder. Accordingly, the provisions of Clause 3(i)(e) of the Order are not applicable to the Company. (Refer Note no. 58 (A) to the standalone financial statements).

ii. A) 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.

B) The Company has working capital limits in excess of 5 crore sanctioned by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have not been filed by the Company with such banks. Accordingly, we are unable to comment on the requirement of the provisions of clause 3(ii)(B) of the Order.

iii. The Company has not made any investment nor provided any guarantees or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and hence reporting under Clause iii (a) to iii (f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has generally 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, to the extent 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.22.94 Crores. Further, the Company has also not made provision towards penal interest and fine as applicable under rule 21 of (Acceptance of Public Deposit) Rules, 2014. The public deposit holders, being the financial creditors are a part of the CoC as per Insolvency code and the repayment thereof is incumbent upon successful resolution plan for the Company.

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) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases.

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	1.08	FY 2016-17	7th day from the end of the relevant month.
		1.21	FY 2021-22	
		0.25	April 2022 to September 2022	
Total		**2.54**		

Name of the Statute	Nature of the Dues	Amount (Rs.in Crores)	Period to which the amount relates	Due Date
Goods and Service Act, 2017	Goods and Service Tax	0.54	FY 2017-18	20th day from the end of the relevant month.
		1.35	FY 2018-19	
		0.23	FY 2019-20	
		0.01	FY 2020-21	
		1.18	FY 2021-22	
		0.60	April 2022 to September 2022	
		3.90		
Profession Tax Act, 1975	Profession Tax	0.01	April 2022 to September 2022	30th day from the end of the relevant month.
		0.01		
Provident Fund & Misc Provision Act 1952	Provident Fund	0.21	April 2022 to September 2022	15th day from end of the relevant month
Total		**0.21**		

c) There are no amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax, Goods and Service Tax which have not been deposited on account of any disputes except as under:

Name of the Statute	Nature of the Dues	Amount (Rs.in Crs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty proceedings towards Under Reporting Income	0.43	AY 2017-18	Commissioner of Income-tax (Appeals)
		2.58	AY 2016-17	
		0.90	AY 2018-19	

viii. According to the information and explanations given to us and based on our examination of records of the Company, there were no amounts to be recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, the Company has defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders as below:

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	2739 Days
Syndicate Bank	58.16	19.71	77.88	2646 Days
Yes Bank	6.90	1.65	8.56	2128 Days
State Bank of India (SBI)	12.08	3.47	15.56	2555 Days
Working Capital Facilities				
State Bank of India	193.69	42.08	235.78	2557 Days
Axis Bank Ltd	72.54	20.83	93.37	2566 Days
Canara Bank	21.16	1.93	23.08	2726 Days
DBS Bank India Ltd	26.55	-	26.55	1916 Days
Fixed Deposits from Public	22.94	-	22.94	3133 Days
Machinery Loan				
SREI Equipment Finance Ltd.	17.52	10.28	27.80	2190 Days
Total	**467.53**	**112.99**	**580.52**	

(b) According to the information and explanations given to us and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has been declared as wilful defaulter by Canara Bank in 2021 and Central Bank of India in 2019.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) During the year, the Company has not raised any short term funds during the year. Hence, the provisions of Clause 3(ix)(d) of the Order are not applicable to the Company.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and associate. Accordingly, the provisions of Clause 3(ix)(e) of the Order are applicable to the Company.

(f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries. Accordingly, the provisions of Clause 3(ix)(f) of the Order are not applicable to the Company.

x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence, reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Ind AS in Note 35 to the Standalone Financial Statements.

xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedures.

xv. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year. Therefore, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) As per the information and explanations given to us and as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there are no Core Investment companies forming part of the group.

xvii. The Company has incurred cash losses of Rs 18.69 crores in the current financial year and Rs. 1.27 crores in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Hence reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. As referred to in 'Material uncertainty related to Going concern' paragraph in our audit report and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors / Resolution Professional and Management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern as on the date of audit report and the capability of the Company for meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us and the records examined by us, no amount was required to be spent by the Company on the activities of CSR, as per provisions of Companies Act, 2013. Accordingly, reporting under paragraph 3(xx) of the Order are not applicable to the Company.

xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Vinay Somani
Partner
Membership No. 143503
UDIN: 23143503BGWEOJ1389

Place: Mumbai
Date: August 1, 2023

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 with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the Internal Financial Controls with reference to financial statements of **Valecha Engineering Limited** ("the Company") as of 31st March, 2023 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 Company's management 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii)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; (iii) 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.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of Internal Financial Controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for 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 with reference to financial statements as at March 31, 2023:

a. The Company is not having a full fledge 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.

Qualified Opinion

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 with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2023, 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, 2023 and these material weaknesses affect our opinion on standalone financial statements of the Company for the year ended March 31, 2023 [our audit report dated August 1, 2023, which expressed an qualified opinion on those standalone financial statements of the Company].

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

Vinay Somani
Partner
Membership No. 143503
UDIN: 23143503BGWEOJ1389

Place: Mumbai
Date: August 1, 2023

BALANCE SHEET AS AT MARCH 31, 2023

(Rs. In Crores)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current Assets			
(a) Property, Plant & Equipment	3	2.31	2.68
(b) Right of use assets	3.1	0.11	0.05
(c) Investment Property	3.2	1.62	1.66
(d) Financial Assets			
(i) Investments	4	42.07	42.07
(ii) Other Financial Assets	5	80.92	74.48
(e) Other Non-Current Assets	6	36.99	44.98
Total Non Current Assets		**164.02**	**165.92**
Current Assets			
(a) Inventories	7	0.01	0.03
(b) Financial Assets			
(i) Trade Receivables	8	298.97	305.24
(ii) Cash & Cash Equivalents	9	9.08	5.60
(iii) Bank Balances other than (ii) above	10	4.25	4.18
(iv) Loans	11	286.53	286.60
(v) Other Financial Assets	12	6.36	5.97
(c) Other Current Assets	13	26.54	31.18
Total Current Assets		**631.74**	**638.80**
Total Assets		**795.76**	**804.72**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	22.53	22.53
(b) Other Equity	15	(0.81)	16.85
Total Equity		**21.72**	**39.38**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	30.78	30.78
(ii) Other Financial Liabilities	17	77.97	71.41
(b) Provisions	18	0.58	0.13
Total Non Current Liabilities		**109.33**	**102.32**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	467.53	467.56
(ii) Trade Payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		-	0.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises		73.60	72.15
(iii) Other Financial Liabilities	21	116.12	113.05
(b) Other Current Liabilities	22	7.05	9.35
(c) Provisions	23	0.41	0.76
Total Current Liabilities		**664.71**	**663.02**
Total Equity & Liabilities		**795.76**	**804.72**
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 59		

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 : 1st August, 2023

For and on behalf of Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Crores)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
Income			
Revenue from Operations	24	90.07	230.81
Other Income	25	3.61	7.96
Total Income		**93.68**	**238.77**
EXPENSES			
Construction Expenses	26	101.27	226.42
Changes in Inventories	27	0.02	1.08
Employee Benefit Expenses	28	5.41	5.62
Finance Cost	29	0.19	0.21
Depreciation and Amortization Expenses	3	0.54	0.40
Other Expenses	30	3.90	2.71
Total Expenses		**111.33**	**236.44**
Profit/ (Loss) Before Exceptional Items and Tax		(17.65)	2.33
Exceptional Items (Net)		-	-
Profit/ (loss) Before Tax		**(17.65)**	**2.33**
Tax Expenses			
Current Tax (Including earlier year taxation)		-	-
Profit/ (Loss) for the year		**(17.65)**	**2.33**
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		-	-
(c) Re-measurement of defined benefit plans		(0.01)	0.17
(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		-	0.72
(ii) Income tax relating to items that will be classified to profit or loss		-	-
Other Comprehensive Income / (Loss) for the year		**(0.01)**	**0.89**
Total Comprehensive Income for the year		**(17.66)**	**3.22**
Earnings per Equity Share of Face Value of Rs. 10 each			
Basic and Diluted	32	(7.83)	1.03
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 59		

In term of our Report attached
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Anurag Kumar Sinha
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Vinay Somani
Partner
Membership No. 143503

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

Place : Mumbai.
Date : 1st August, 2023

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Crores)

	Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A.	**Cash flow from Operating activities**		
	Profit Before Tax	**(17.65)**	**2.33**
	Add / (Deduct) Adjustment for :		
	Depreciation and Amortization Expense	0.54	0.40
	Finance Cost	0.19	0.21
	Interest Income	(1.63)	(3.10)
	Re-measurement of defined benefit plans	(0.01)	0.17
	Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	-	0.72
	Rental Income from Investment Properties	(0.40)	(0.86)
	Operating Profit/ (Loss) before Working Capital changes	**(18.96)**	**(0.13)**
	Changes in Working Capital:		
	Adjustment for (increase) / decrease in operating assets:		
	Decrease in Inventories	0.03	1.08
	(Increase)/ Decrease in Trade Receivable	6.27	6.90
	(Increase) / Decrease Loans	0.08	3.60
	(Increase)/ Decrease in other current assets and non-current financial assets	(2.26)	(3.69)
	Adjustment for (increase) / decrease in operating liabilities:		
	Increase/ (Decrease) in Trade Payables	1.30	(22.12)
	Increase/(Decrease) in other current and financial liabilities (non-current)	7.33	(0.99)
	Increase/ (Decrease) in Provisions	0.09	(0.11)
	Cash Generated From / (used in) Operations	**(6.12)**	**(15.46)**
	Direct Taxes (Paid)	7.99	(2.49)
	Net Cash Flow from operating activities (A)	**1.87**	**(17.95)**
B.	**Cash Flow from investing activities**		
	Capital Expenditure for Property, Plant and Equipments, Right of use assets, Investments Property, Intangible Assets including CWIP	(0.20)	(1.14)
	Investments in subsidiaries	-	(0.01)
	Interest received	1.63	3.10
	Rental Income from investment property	0.40	0.86
	Net Cash flow from investing activities (B)	**1.83**	**2.81**
C.	**Cash flow from financing activities**		
	Net increase / (Decrease) in Working Capital borrowings	(0.03)	(2.12)
	Finance Cost	(0.19)	(0.21)
	Net Cash flow used in financing activities (C)	**(0.22)**	**(2.33)**
	Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	**3.48**	**(17.47)**
	Cash and Cash Equivalent at the beginning of the period	5.60	23.07
	Cash and Cash Equivalent at the end of the period	**9.08**	**5.60**
	Note: Figures in brackets represents cash outflow		
	Significant Accounting Policies	1 & 2	
	See accompanying notes forming part of the Financial Statements	3 to 59	

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 : 1st August, 2023

For and on behalf of Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Crores)

A.	Equity Share Capital	Nos. of Shares	Amount
	Balance as at April 1, 2021	2,25,30,025	22.53
	Add: Equity Shares alloted during the year	-	-
	Balance as at March 31, 2022	2,25,30,025	22.53
	Add: Equity Shares alloted during the year	-	-
	Balance as at March 31, 2023	2,25,30,025	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	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 1, 2021	**111.24**	**43.90**	**(139.32)**	**(0.15)**	**2.60**	**(4.64)**	**13.63**
Other comprehensive Income / (loss) for the year, net of tax	-	-	-	0.17	0.72	-	0.89
Profit/ (Loss) for the year	-	-	2.33	-	-	-	2.33
Balance as at March 31, 2022	**111.24**	**43.90**	**(136.99)**	**0.02**	**3.32**	**(4.64)**	**16.85**
Other comprehensive Income / (loss) for the year, net of tax	-	-	-	(0.01)	-	-	(0.01)
Profit/ (Loss) for the year	-	-	(17.65)	-	-	-	(17.65)
Balance as at March 31, 2023	**111.24**	**43.90**	**(154.64)**	**0.01**	**3.32**	**(4.64)**	**(0.81)**

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

Vinay Somani
Partner
Membership No. 143503

Place : Mumbai.
Date : 1st August, 2023

For and on behalf of Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

Notes forming part of the Standalone financial statements as at and for the year ended March 31, 2023

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 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 recogntion 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.

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 recongnised 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.

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 ammortised cost). Where the Company's management has selected to present fair value gains and losses on equity investments in other comprehensive incomeand 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 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 it 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.

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.

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 rightof-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 Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(a) Ind AS 1 – Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

(b) Ind AS 12 – Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

(c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is evaluating the impact, if any, in its financial statements and does not expect to have these amendments to have any significant impacts in its financial statements.

2.23 Critical accounting estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

(c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(d) Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

(e) Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

3 Property, Plant & Equipment **(Rs. In Crores)**

Gross Block

	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2021	**1.62**	**1.67**	**0.12**	**1.51**	**4.92**
Additions	-	0.78	0.02	0.20	0.99
Disposal / Adjustments	-	-	0.00	-	0.00
Balance as at March 31, 2022	**1.62**	**2.45**	**0.13**	**1.70**	**5.91**
Additions	-	0.00	0.02	-	0.02
Disposal / Adjustments	-	-	-	0.34	0.34
Balance as at March 31, 2023	**1.62**	**2.45**	**0.15**	**1.36**	**5.59**

Accumlated Depreciation

	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2021	**0.41**	**1.20**	**0.08**	**1.28**	**2.97**
Depreciation / Amortization	0.02	0.14	0.02	0.07	0.26
Disposal / Adjustments	-	-	0.00	-	0.00
Balance as at March 31, 2022	**0.44**	**1.35**	**0.10**	**1.35**	**3.23**
Depreciation / Amortization	0.03	0.26	0.02	0.07	0.39
Disposal / Adjustments	-	-	-	0.34	0.34
Balance as at March 31, 2023	**0.46**	**1.61**	**0.12**	**1.08**	**3.27**
Net carrying amount as at March 31, 2023	**1.16**	**0.84**	**0.03**	**0.29**	**2.31**
Net carrying amount as at March 31, 2022	**1.19**	**1.10**	**0.03**	**0.36**	**2.68**

3.1 Right of use assets **(Rs. In Crores)**

Gross Block

	Right of use assets	Total
Balance as at April 1, 2021	**0.16**	**0.16**
Additions	0.15	0.15
Disposal / Adjustments	-	-
Balance as at March 31, 2022	**0.31**	**0.31**
Additions	0.18	0.18
Disposal / Adjustments	-	-
Balance as at March 31, 2023	**0.49**	**0.49**

Accumlated Depreciation

	Building	Total
Balance as at April 1, 2021	**0.16**	**0.16**
Depreciation	0.10	0.10
Disposal / Adjustments	**-**	-
Balance as at March 31, 2022	**0.26**	**0.26**
Depreciation	0.12	0.12
Disposal / Adjustments	**-**	-
Balance as at March 31, 2023	**0.37**	**0.37**
Net carrying amount as at March 31, 2023	**0.11**	**0.11**
Net carrying amount as at March 31, 2022	**0.05**	**0.05**

3.2 Investment Property **(Rs. In Crores)**

Gross Block

	Buildings	Total
Balance as at April 1, 2021	**2.54**	**2.54**
Additions	-	-
Disposal / Adjustments	-	-
Balance as at March 31, 2022	**2.54**	**2.54**
Additions	-	-
Disposal / Adjustments	-	-
Balance as at March 31, 2023	**2.54**	**2.54**

Accumlated Depreciation

	Building	Total
Balance as at April 1, 2021	**0.83**	**0.83**
Depreciation	0.04	0.04
Disposal / Adjustments	-	-
Balance as at March 31, 2022	**0.88**	**0.88**
Depreciation	0.04	0.04
Disposal / Adjustments	-	-
Balance as at March 31, 2023	**0.92**	**0.92**
Net carrying amount as at March 31, 2023	**1.62**	**1.62**
Net carrying amount as at March 31, 2022	**1.66**	**1.66**

Disclosure pursuant to Ind AS 40 “Investment Property”

(i) Amount recognised in the statement of profit and loss for Investment Properties

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
1 Rental Income	0.37	0.84
2 Direct operating expenses from property that generate rental income.	0.04	0.04
3 Direct operating expenses from property that did not generate rental income.	0.04	0.04
4 The company is using same life for the same class of asset as applicable for property plant and equipment.		

(ii) Details with respect to fair valuation of Investment property :

Fair valuation is based on internal assessment by management based on Government rates, Market trend and previous valuation report Rs.22.14 Crores (Rs.22.14 crores for March 31, 2022)

		As at March 31, 2023		As at March 31, 2022	
		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	0.31	1	0.31
	Professional Realtors Pvt. Ltd. (Fully paid Equity Share Face Value ₹10/- each)	10,000	1.80	10,000	1.80
			2.16		**2.16**

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
ii) In Subsidiary Companies - Others - At Cost				
Valecha Kachchh Toll Roads Ltd. (Fully paid Equity Share Face Value ₹10/- each)	3,98,35,000	39.84	3,98,35,000	39.84
Valecha Reality Ltd (Face Value ₹10/- each)	24,950	0.02	24,950	0.02
		39.86		**39.86**
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)	-	(0.05)
		-		-
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		**42.07**		**42.07**
Aggregate amount of unquoted investments		42.07		42.07

		As at March 31, 2023	As at March 31, 2022
5	**Other Non Current Financial Assets**		
	Unsecured, Considered good unless otherwise stated		
	Security Deposits	0.19	0.10
	Retention	36.27	29.38
	Advance to suppliers	26.16	26.70
	Others	18.30	18.30
	Total	**80.92**	**74.48**

		As at March 31, 2023	As at March 31, 2022
6	**Other Non Current Assets**		
	Advance Income Tax (net of provisions)	5.64	11.63
	Balance with Government Authorities	31.35	33.35
	Total	**36.99**	**44.98**

		As at March 31, 2023	As at March 31, 2022
7	**Inventories**		
	(As taken, valued & certified by Management)		
	Stock of Materials	0.01	0.03
	Total	**0.01**	**0.03**

		As at March 31, 2023	As at March 31, 2022
8	**Trade Receivables***		
	Unsecured (Refer note no. 8.1)		
	Considered Good	298.97	305.24
	Considered Doubtful	-	-
		298.97	305.24
	Less: Allowance for Expected Credit Loss	-	-
	Total	**298.97**	**305.24**
	*** Refer note no. 40.2 for credit risk**		

8.1 Current assets: Trade Receivables ageing (Rupees in Crores)

Particulars	As at 31-3-2023					
	Outstanding for the following periods from the date of the transaction					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:						
Considered good	-	-	-	-	-	-
Increase in credit risk	0.79	1.04	7.25	13.90	176.43	199.40
Credit impaired	-	-	-	-	-	-
Disputed:						
Considered good	-	-	-	-	99.57	99.57
Increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross trade receivables	0.79	1.04	7.25	13.90	276.00	298.97
Less: Allowance for expected credit loss						-
Total						298.97

Particulars	As at 31-3-2022					
	Outstanding for the following periods from the date of the transaction					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:						
Considered good	-	-	-	-	-	-
Increase in credit risk	8.43	0.82	5.63	1.46	189.34	205.67
Credit impaired	-	-	-	-	-	-
Disputed:						
Considered good	-	-	-	-	99.57	99.57
Increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross trade receivables	8.43	0.82	5.63	1.46	288.91	305.24
Less: Allowance for expected credit loss						-
Total						305.24

		As at March 31, 2023	As at March 31, 2022
9	**Cash and Cash Equivalents**		
	Cash on Hand	#	#
	Balances with Banks		
	- In Current Accounts	9.08	5.60
	#Rs.7,257/- (Previous year Rs. 5,864/-)	**9.08**	**5.60**

		As at March 31, 2023	As at March 31, 2022
10	**Other Bank Balances**		
	Earmarked Balances with Banks		
	- Unpaid Dividend Accounts	0.01	0.01
	- Margin Money Deposits	4.24	4.17
		4.25	**4.18**

		As at March 31, 2023	As at March 31, 2022
11	**Loans (Current)**		
	Unsecured, considered good unless otherwise stated		
	Loans to Subsidiary Companies	253.92	253.93
	Loans to Related Parties	6.50	6.49
	Loans and Advances to Employees	0.38	0.46
	Other Loans and advances	25.73	25.72
		286.53	**286.60**

		As at March 31, 2023	As at March 31, 2022
12	**Other Current Financial Assets**		
	Unsecured, considered good unless otherwise stated		
	Interest Accrued on Fixed Deposits	6.08	5.40
	Rent Receivable	-	0.11
	Other Receivables	0.28	0.46
	Total	**6.36**	**5.97**

		As at March 31, 2023	As at March 31, 2022
13	**Other Current Assets**		
	Balance with GST Authorities	5.92	6.26
	Unbilled Revenue	14.38	19.54
	Advance to suppliers	6.00	5.25
	Others	0.24	0.13
	Total	**26.54**	**31.18**

		As at March 31, 2023		As at March 31, 2022	
		Number of Shares	Amount	Number of Shares	Amount
14	**Share Capital**				
	Authorised:				
	Equity Shares of Rs. 10/- each	3,50,00,000	35.00	3,50,00,000	35.00
	Issued, Subscribed & paid up:				
	Equity Shares of Rs. 10/- each	2,25,30,025	22.53	2,25,30,025	22.53

14.1 Reconciliations of the number of euqity shares and amount outstanding at beginning and end of the year

	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of the year	2,25,30,025	22.53	2,25,30,025	22.53
Add: Equity Shares alloted		-		-
Balance at the end of the year	2,25,30,025	22.53	2,25,30,025	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, 2023		As at March 31, 2022	
	Number of Shares	% holding	Number of Shares	% holding
Valecha Investment Pvt. Ltd.	40,03,745	17.77	40,03,745	17.77
Suman Aggarwal	29,28,504	13.00	29,28,504	13.00
Hypnos Fund Limited	20,00,000	8.88	20,00,000	8.88

14.4 Shares held by promoters as defined in the Companies Act, 2013 at the end of the year:

Sr No.	Promoter Name	As at 31.03.2023		As at 31.03.2022		% change during the year
		No of shares	% of Holding	No of shares	% of Holding	
1	Dinesh Valecha	2,812	0.0125	2,812	0.0125	0.00%
2	Umesh Hariram Valecha	2,587	0.0115	2,587	0.0115	0.00%
3	Jagdish K Valecha	-	-	-	-	0.00%
4	Ramchand Hemandas Valecha	21,481	0.0954	21,481	0.0954	0.00%
5	Sharda Hariram Valecha	10,125	0.0449	10,125	0.0449	0.00%
6	Vasudev Pyarelal Valecha	9,112	0.0404	9,112	0.0404	0.00%
7	Pavitra Ramchandra Valecha	7,169	0.0318	7,169	0.0318	0.00%
8	Lata Vasudev Valecha	6,199	0.0275	6,199	0.0275	0.00%
9	Dinesh H Valecha - Karta For Hariram Pyarelal Valecha (HUF).	4,500	0.02	4,500	0.02	0.00%
10	Bhavana Ramchand Valecha	3,375	0.015	3,375	0.015	0.00%
11	Kavita Vasudev Valecha	2,862	0.0127	2,862	0.0127	0.00%
12	Alka Vasudev Valecha	1,948	0.0086	1,948	0.0086	0.00%
13	Geeta Dinesh Valecha	337	0.0015	337	0.0015	0.00%
14	Geeta Prakash Valecha	-	-	-	-	0.00%
15	Valecha Investment Private Ltd.	40,03,745	17.7707	40,03,745	17.7707	0.00%
16	Gopaldas Vasudev Construction Pvt.Ltd.	424	0	424	0	0.00%
	Total	**40,76,676**	**18.0925**	**40,76,676**	**18.0925**	**0.00%**

		As at March 31, 2023	As at March 31, 2022
15	**Other Equity**		
	15.1 Securities Premium	111.24	111.24
	15.2 General Reserve	43.90	43.90
	15.3 Retained Earnings	(154.64)	(136.99)
	15.4 OCI - Fair Value of Financial Instruments	(4.64)	(4.64)
	15.5 OCI - Re-measurement of defined benefit plans	0.01	0.02
	15.6 Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	3.32	3.32
	Total	**(0.81)**	**16.85**

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.

	Particulars	As at March 31, 2023	As at March 31, 2022
16	**Non Current Borrowings**		
	Unsecured		
	Related Parties	27.78	27.78
	Others *	3.00	3.00
	Total	**30.78**	**30.78**

*(From erstwhile Directors and relatives of Directors)

	Particulars	As at March 31, 2023	As at March 31, 2022
17	**Other Non Current Financial Liabilities**		
	Advance from Contractees - Related Parties	41.04	42.46
	Amount Withheld and Retention from sub-contractors	36.78	28.81
	Security Deposits	0.15	0.14
		77.97	**71.41**

		As at March 31, 2023	As at March 31, 2022
18	**Provisions**		
	-Provision for Gratuity (Refer note 37B)	0.58	0.13
		0.58	**0.13**

		As at March 31, 2023	As at March 31, 2022
19	**Current Borrowings**		
	Secured		
	- From Banks		
	Working Capital Loans - Cash Credit Limits**	242.35	242.38
	Short Term Facilities	54.53	54.53
	Current maturities of Long Term Borrowings (Refer note 19.1, 19.2)	130.65	130.65
	Unsecured		
	- From Others		
	Short Term Loans	17.06	17.06
	Current Maturities of Fixed Deposits (Refer note 19.2)	22.94	22.94
	Total	**467.53**	**467.56**

****Note :**

1. Secured by

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

   Collateral Security: Equitable Mortgage 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

2. The amount is after considering the repayment on account of One Time Settlement (OTS) of Rs.3.75 Crores (Previous year Rs.3.75 Crores)

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, 2023)		
		Principal	Interest	Total
Working Capital Facilities				
State Bank of India	2557 Days	193.69	42.08	235.77
Axis Bank Ltd	2566 Days	72.54	20.83	93.37
Canara Bank	2726 Days	21.16	1.93	23.09
DBS Bank India Ltd	1916 Days	26.55	0.00	26.55
Total		313.94	64.84	378.78

Working capital loans are secured by hypothication 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.

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

Particulars	Period of Default	Amount of Default (As at March31, 2023)		
		Principal	Interest	Total
Term Loan				
Central Bank of India	2739 Days	35.98	13.04	49.02
Syndicate Bank	2646 Days	58.17	19.71	77.88
Yes Bank	2128 Days	6.90	1.65	8.55
State Bank of Bikaner & Jaipur (SBI)	2555 Days	12.08	3.47	15.55
Machinery Loan				
SREI Equipment Finance Ltd	2190 Days	17.52	10.28	27.80
Fixed Deposits from Public	3133 Days	22.94	-	22.94
Total		153.59	48.16	201.75

20	Trade Payables (Refer note 20.3)	As at March 31, 2023	As at March 31, 2022
	Dues to Micro, Small and Medium Enterprises	-	0.15
	Dues to Creditors other than Micro, Small and Medium Enterprises	73.60	72.15
	Total	**73.60**	**72.30**

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, 2023	As at March 31, 2022
a. Principal amount remaining unpaid	-	0.15
b. Interest due thereon remaining unpaid	-	-
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	-	-
	-	**0.15**

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.

20.3 Current liabilities: Trade payables ageing (Rupees in Crores)

Particulars	As at 31-3-2023				
	Outstanding for the following periods from the date of the transaction				Total
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	
Undisputed:					
Micro and small enterprises	-	-	-	-	-
Others	20.13	14.52	17.69	21.26	73.60
Disputed:					
Micro and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	20.13	14.52	17.69	21.26	73.60

Particulars	As at 31-3-2022				
	Outstanding for the following periods from the date of the transaction				Total
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	
Undisputed:					
Micro and small enterprises	0.15	-	-	-	0.15
Others	26.74	23.13	2.39	19.89	72.15
Disputed:					
Micro and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	26.89	23.13	2.39	19.89	72.30

		As at March 31, 2023	As at March 31, 2022
21	**Other Current Financial Liabilities**		
	Current Maturities of lease liabilities	0.13	0.05
	Interest Accrued and Due on Borrowings (Refer note 19.1 and 19.2)	112.99	112.99
	Earnest Money Deposit from Prospective Resolution Applicants	3.00	-
	Total	**116.12**	**113.05**

		As at March 31, 2023	As at March 31, 2022
22	**Other Current Liabilities**		
	Statutory Dues	7.05	6.66
	Advance from Contractees	-	2.69
	Total	**7.05**	**9.35**

		As at March 31, 2023	As at March 31, 2022
23	**Provisions**		
	Provision for Employee Benefits		
	-Gratuity (Refer note 37B)	0.41	0.76
	Total	**0.41**	**0.76**

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
24	**Revenue from Operations**		
	Income from Contract and Services	90.07	230.81
	Total	**90.07**	**230.81**

		Year ended March 31, 2023	Year ended March 31, 2022
25	**Other Income**		
	Interest Income :		
	Interest on Fixed Deposits	0.68	0.86
	Interest from Others	0.95	2.24
		1.63	**3.10**
	Lease Rental Income	0.40	0.86
	Sundry balances written back	1.57	3.95
	Excess Provision of earlier years written back	0.01	0.05
	Profit and loss on sale of fixed assets #	#	#
	Total	**3.61**	**7.96**

Rs. Nil (Previous year Rs.3,100/-)

		Year ended March 31, 2023	Year ended March 31, 2022
26	**Construction Expenses**		
	Materials Purchase	0.06	9.19
	Sub-Contracting Expenses	97.77	202.43
	Power and Fuel	0.19	2.65
	Repairs, Maintenances to Plant & Machineries and Vehicles	0.02	0.16
	Machinery Hire Charges	0.31	1.72
	Site Expenses	2.92	10.27
	Total	**101.27**	**226.42**

		Year ended March 31, 2023	Year ended March 31, 2022
27	**Changes in Inventories**		
	Opening Stock	0.03	1.11
	Less: Closing Stock	0.01	0.03
		0.02	**1.08**

		Year ended March 31, 2023	Year ended March 31, 2022
28	**Employee Benefits Expenses**		
	Salaries and Wages	4.95	4.81
	Contribution to Provident and other funds	0.34	0.42
	Staff Welfare Expenses	0.12	0.39
		5.41	**5.62**

		Year ended March 31, 2023	Year ended March 31, 2022
29	**Finance Cost**		
	Interest Expenses		
	-Others	0.05	0.16
	Interest Component of Lease Liability	0.02	0.01
	Interest cost on security deposits	0.06	0.02
	Other Borrowing Cost	0.06	0.02
		0.19	**0.21**

		Year ended March 31, 2023	Year ended March 31, 2022
30	**Other Expenses**		
	Rates and taxes	0.51	0.18
	Printing and stationery	0.03	0.02
	Telephone and Postage	0.07	0.04
	Traveling and conveyance	0.47	0.36
	Electricity charges	0.08	0.01
	Professional Fees	1.92	1.43
	Repairs and Maintenance - Buildings	0.18	0.09
	Repairs and Maintenance - Plant and Machinery	0.03	0.05
	Repairs and Maintenance - Others	0.20	0.05
	Bank charges	#	#
	Payments to Auditor (Refer note below)	0.12	0.12
	Miscellaneous Expenses	0.29	0.36
	Total	**3.90**	**2.71**

Rs.17,596/-(Previous year Rs.22,438/-)

		Year ended March 31, 2023	Year ended March 31, 2022
30.1	**Auditors Remunerations**		
	Audit Fees	0.11	0.11
	Certification and Other Services	0.01	0.01
	Total	**0.12**	**0.12**

31 **Earnings per Share**

Particulars	2022-23	2021-22
Profit attributable to Equity Shareholders (Rs. in crores)	(17.65)	2.33
Weighted average Number of shares for Basic EPS (Numbers)	2,25,30,025	2,25,30,025
Weighted average Number of shares for Diluted EPS (Numbers)	2,25,30,025	2,25,30,025
Face Value of each Equity Share (in Rs.)	10.00	10.00
Basic & Diluted earning per Share (in Rs.)	(7.83)	1.03
*The Company has no dilutive instruments. As such Diluted Earnings per share equals to Basic Earnings per share.		

32 Contingent Liabilities

Contingent Liabilities are not provided for and are as below :

	Particulars	2022-23	2021-22
1	Outstanding Bank Guarantees	15.90	15.90
2	Corporate Guarantees	1,420.65	1,327.05
3	Late payment and over limit charges on credit card dues	5.89	5.89
4	Other matter not acknowledged as debt		
	- Income Tax	123.93	-
	- Good and Services Tax	10.84	-

33 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.

34 CSR Expenditure

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

35 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.
	Valecha Reality Ltd.
Step-Down Subsidiary Companies	Valecha Badwani Sendhawa Toll Ways Ltd.
Associate Companies	Aryavrat Tollways Pvt. Ltd.
Enterprises where KMPs have significant influence	Gopaldas Vasudev Construction Pvt. Ltd.
	Valecha Power Ltd.
	Kavi Engineers and Consultants
Enterprises having significant influence over the Company	Valecha Investment Private Limited
Joint Ventures	Valecha - Transtonnelstroy (JV)
	Valecha - VKJ (JV)
	Valecha - SDPL JV
	Valecha Shraddha (JV))
	Valecha - CSR (JV)
	Valecha - TTC (JV)
Key Management Personnel (KMP)	
Independent Director	S N Kavi
Independent Director (Up to 27-08-2022)	Tejas Deshpande
Independent Director (w.e.f. 27-12-2021)	Achal Kapoor
Independent Director (w.e.f. 27-12-2021)	Bharti Ranga
Independent Director (w.e.f. 27-12-2021)	Chetna Verma
Independent Director (w.e.f. 27-08-2022)	Swati Jain
Non-Executive Director	Lalna Takekar
Chief Executive Officer	Tarun Dutta
Company Secretary & Legal	Vijay Kumar H. Modi
Chief Financial Officer	Anil S. Korpe
Relatives of Key Management Personnel	P D Deshpande

Note:

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

36 Details of Transactions with Related Parties

i. Transactions with Subsidiary Companies

	Particulars	2022-23	2021-22
a.	Sales	-	19.59
b.	Deposit / Loans / Repayment received during the year	0.26	8.81
c.	Deposit / Loans given / Repaid during the year	2.33	8.12
d.	Outstanding Balance - Trade Receivable	1.04	-
e.	Outstanding Balance - Loan given	253.92	253.93
f.	Outstanding Balance - Amount Payable	41.04	44.49

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

	Particulars	2022-23	2021-22
a.	Consultancy charges paid	0.13	0.29
b.	Deposit / Loans / Repayment received during the year/ Adjustment	13.38	30.78
c.	Deposit / Loans given / Repaid during the year/ Adjustment	14.17	31.36
d.	Outstanding Balance - Amount Payable	29.13	28.35
e.	Outstanding Balance - Amount Receivable	6.50	6.50

iii. Transactions with Joint Ventures

	Particulars	2022-23	2021-22
a.	Sales	19.76	32.54
b.	Outstanding Balance - Amount Receivables	13.10	13.10

iv. Transactions with Key Management Personnel (KMP)

Particulars	2022-23	2021-22
Remuneration paid during the year	1.89	0.97
Sitting Fees	0.09	0.03

v. Transactions with relatives of Key Management Personnel (KMP)

Particulars	2022-23	2021-22
Consultancy charges paid during the year	0.03	0.09

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**

	2022-23		2021-22	
	As at year end	Maximum balance during year	As at year end	Maximum balance during year
Valecha Infrastructure Ltd.	152.37	152.40	152.40	152.43
Valecha International (FZE)	23.57	23.57	23.57	23.57
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 Reality Ltd.	0.29	0.29	0.29	0.29
Valecha Badwani Sendhawa Toll Ways Ltd.	3.99	3.99	3.98	5.20
Total	**253.92**	**253.95**	**253.93**	**255.19**

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

	2022-23		2021-22	
	As at year end	Maximum balance during year	As at year end	Maximum balance during year
Valecha Investment Pvt. Ltd.	6.49	6.49	6.49	6.49
Valecha Power Ltd.	0.01	0.01	0.01	0.01
Total	**6.50**	**6.50**	**6.50**	**6.50**

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	2022-23	2021-22
Valecha LM Toll Pvt. Ltd.	261.14	265.12
Valecha Badwani Sendhawa Toll Ways Ltd.	31.73	33.62
Valecha Kachchh Toll Roads Ltd.	990.70	899.66
Valecha Infrastructure Ltd.	137.08	128.66
Total	**1,420.65**	**1,327.05**

37 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 Providend Fund. The expenses recognised for the year are as under :

Particulars	2022-23	2021-22
Employer's Contribution to Providend Fund	0.11	0.09
Employer's Contribution to Employee's state Insurance	0.00	0.00
Employer's Contribution to Pension Fund	0.08	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.

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 2023 and 31 March 2022.

	Particulars	2022-23	2021-22
i	**Changes in present value of obligations**		
	Present value of obligations as at the beginning of year	0.95	1.05
	Interest cost	0.03	0.07
	Current Service Cost	0.06	0.09
	Benefits Paid Directly by the Employer	(0.01)	-
	Benefits Paid	(0.05)	(0.09)
	Actuarial gain on obligations	0.01	(0.17)
	Present value of obligations as at the end of year	0.99	0.95
ii	**Changes in the fair value of plan assets**		
	Fair value of plan assets at the beginning of year	0.05	0.13
	Expected return on plan assets	-	0.01
	Contributions	-	-
	Benefits paid	(0.05)	(0.09)
	Return on plan Assets, Excluding interest income	0.00	(0.00)
	Fair value of plan assets at the end of year	0.00	0.05
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	(0.99)	(0.95)
	Fair value of plan assets as at the end of the year	0.00	0.05
	Net (liability) / asset recognized in balance sheet	(0.99)	(0.90)

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

Particulars	2022-23	2021-22
Expenses Recognised in statement of Profit & Loss		
Current Service cost	0.06	0.09
Interest Cost	0.03	0.06
Expected return on plan assets	-	-
Net Actuarial gain recognised in the year	-	-
Expenses recognised in statement of Profit & Loss Account	0.09	0.15

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

Particulars	2022-23	2021-22
Actuarial Gain/Loss recognized		
Actuarial (gain)/losses on obligation for the year	0.01	(0.17)
Return on Plan Asset, excluding Interest Income	(0.00)	0.00
Change in Asset ceiling	-	-
Net (Income)/Expense for the period recognized in OCI	0.01	(0.17)

Principal actuarial assumptions at the Balance Sheet date

Particulars	2022-23	2021-22
Expected Return on Plan Assets	7.39%	6.90%
Rate of discounting	7.39%	6.90%
Rate of Salary Increase	8.00%	8.00%
Rate of employee turnover	10.00%	10.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Mortality Rate after employment	N.A.	N.A.

38 Deferred taxes not recognised

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

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets / (Liabilities) in relation to :		
Carried Forward Losses	17.46	18.15
Property, plant and equipment/Investment Property	1.70	2.46
Total	**19.16**	**20.61**

39 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, 2023	March 31, 2022
Borrowing	611.33	611.33
Total equity	21.72	39.38
Total Capital (Borrowing and Equity)	**633.05**	**650.71**
Gearing Ratio	28.15%	15.52%

(i) Borrowings represents total borrowings (non-current & current).

(ii) Equity comprises of all components incuding other comprehensive income.

40 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.

40.1 Market risk

The Company is primarily exposed to the following market risks.

40.1.1 **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.

40.1.2 **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.

40.2 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 Undertaikings. 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.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 686.11 crores for March 31, 2023 (₹ 682.07 crores for March 31, 2022) 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.

40.3 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	2022-23			2021-22		
	Less than 1 year	Between 1 and 5 years	Total	Less than 1 year	Between 1 and 5 years	Total
a. Borrowings	580.55	30.78	**611.33**	580.55	30.78	611.33
b. Trade Payables	73.60	-	73.60	72.30	-	72.30
c. Other Financial Liabilities	3.13	77.97	81.10	0.05	71.41	71.46
Total	**657.28**	**108.75**	**766.03**	**652.90**	**102.19**	**755.09**

40.4 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

40.4.1 **Category-wise classification for applicable financial assets:**

Particulars	Note	As at 31-Mar-23	As at 31-Mar-22
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	80.92	74.48
Security Deposits - Current	8	126.83	128.28
Loans	11	286.53	286.60
Trade receivables	8	172.14	178.41
Total		**666.47**	**667.82**

40.4.2 **Category-wise classification for applicable financial liabilities:**

Particulars	Note	As at 31-Mar-23	As at 31-Mar-22
Measured at amortised cost: (All Level 3)			
Borrowings - Non current	16	30.78	30.78
Borrowings - Current (Short Term)	18	467.53	467.56
Borrowings - Current maturities of long term borrowings & fixed deposits	20	266.58	266.58
Trade payables	19	63.14	60.59
Retention money from Sub-contractors	19	10.46	11.71
Measured at fair value through Other Comprehensive Income (FVTOCI)		-	-
Total		**838.49**	**837.22**

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.

41 Financial Ratios

Sr. No.	Particulars	Note reference	March 31, 2023	March 31, 2022	% Variance	Reasons of variance [If change is more than 25%]
1	Current Ratio	a	0.95	0.96	-1.36%	
2	Debt – Equity Ratio	b	22.94	12.65	81.30%	The increase is on account of losses during the year
3	Debt Service Coverage Ratio	c	NA	NA	NA	Loan accounts are NPA since 2016
4	Return on Equity (ROE):	d	-57.77%	6.17%	-1036.66%	The decrease is on account of losses during the year
5	Inventory Turnover Ratio	e	NA	NA	NA	
6	Trade receivables turnover ratio	f	0.30	0.75	-60.13%	The decrease is on account of reduction in turnover during the year
7	Trade payables turnover ratio	g	138.82%	271.60%	-48.89%	The decrease is on account of reduction in expenses due to reduction in turnover during the year
8	Net profit ratio	h	-19.60%	1.01%	-2041.17%	The decrease is on account of losses during the year
9	Net capital turnover ratio (in times)	i	-3.15	- 11.62	-72.90%	The decrease is on account of reduction in turnover during the year
10	Return on capital employed (%)	j	-2.21%	0.32%	-801.87%	The decrease is on account of losses during the year
11	Return on investment (ROI)	k	-81.26%	5.92%	-1473.42%	The decrease is on account of losses during the year

Note :

a Current ratio (in times) : Current Assets / Current liabilities

b Debt - Equity ratio : Total Debt divided by Equity

c Debt Service Coverage Ratio (DSCR) (no. of times) : Profit before interest, divided by Interest expense.

d ROE : Net Profits after taxes – Preference Dividend (if any) / Average Shareholder's Equity

e Inventory turnover ratio: Revenue from operations / Average Inventory

f Trade receivable turnover ratio: Revenue from operations / Average (Trade receivable and contract assets)

g Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables

h Net profit margin (in %) : profit after tax / Revenue from operation

i Net capital turnover ratio = Net Sales / Working Capital

j ROCE : Earning before interest and taxes / Capital Employed (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)

k Return on investment (ROI) : Profit after tax / Total Equity

42 Hon'ble, NCLT, Mumbai, passed order dated 21.10.2022 in Company Petition no. CP (IB) No.594/MB-IV/2021 filed by STATE BANK OF INDIA, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against the Company, Corporate Debtor/ Respondent, for initiating Corporate Insolvency Resolution Process (CIRP).

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

43 The above audited financial statments were prepared by the management of the Company and RP took the same on record basis. The Statutory Auditors have carried out the Audit of the Financial Statements for the year ended March 31, 2023 vide their report dated August 1, 2023.

44 With respect to the financial statements for the year ended March 31, 2023, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

i. The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;

ii. No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;

iii. The RP, in audit of the financial statements and while signing this financial statements, has relied upon the assistance provided by the Key Managerial Personnel ("KMP") of the Corporate Debtor, and representations and statements made by the KMP of the Corporate Debtor, in relation to these financial statements. The financial statements of the Corporate Debtor for the year ended March 31, 2023 have been taken on record by the RP solely on the basis of and on relying the aforesaid representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial statements.

45 Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. Further, Valecha Engineering Limited (VEL) has given Corporate Guarantees of Rs.990.47 Crores for the loans availed by VKTRL. The Company has not made any provision on this count in view of likely admission of VKTRL in to CIRP and then likely resolution also.

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

46 Valecha LM Toll Private Limited (VLMTPL), an erstwhile step down subsidiary of the Company, has been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. The asset of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. Further, Corporate Guarantees of Rs.261.14 Crores given by VEL has been invoked by the secured financial creditors of VLMTPL against the Company. However, the Company has not made any provision on this count in view of ongoing CIRP proceedings of VEL and likely approval of Resolution Plan of Resolution Applicant.

47 The Company has also not evaluated impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" in relation to investments made for Rs.2.19 crores in four subsidiary companies, loans and advances given of Rs.180.46 crores to four subsidiary companies and one step-down subsidiary company.

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

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

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

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

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

50 The Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of the already weak financial position of the Company, the Company has not provided any further interest on these outstanding overdue deposits. Further, there has been NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and NCLAT order dated 12.02.2020 in the matter.

51 Other Non Current Assets as at March 31, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.

52 The Company has sixteen project sites comprising of total assets of Rs. 84.36 crores [including Trade Receivables of Rs.70.46 crores and loans to other parties of Rs. 5.54 crores referred in note 48 above, balances with revenue authorities of Rs. 8.33 crores referred in point vii above] and total liabilities of Rs. 26.70 crores as at March 31, 2023. These project sites have either been de-mobilized or completed or otherwise shut or non-operational. Details of transactions effecting, if any, through Bank accounts previously operated through such project sites is not available. There have been no operations in such project sites during the year ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written off or written back.

53 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 in the process of obtaining the statements of such inoperative and dormant bank accounts.

54 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.

55 The accumulated losses incurred in the past years have resulted in erosion of Company's peak Net worth. However, in view of the fact that CIRP has been initiated against the company and since as per provisions of IBC, 2016, as the company is to be kept as a going concern, financial statements are prepared assuming that it will continue as a going concern. During the ongoing CIRP, the RP has also received claims from various operational and financial creditors.

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

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

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

57 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.

58 (A) No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

(B) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(C) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(D) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(E) In the opinion of the Management, there are no transactions with companies struck off. However the Company doesnot have any documentary evidence to support this claim.

(F) The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(G) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(H) The Company has been declared as wilful defaulter by Canara Bank in 2021 and Central Bank of India in 2019.

59 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 Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Vinay Somani
Partner
Membership No. 143503

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

Place : Mumbai.
Date : 1st August, 2023

FORM AOC-1

Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013 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, 2023)

(Rupees in Crores)

Sr. No.	Particulars	Valecha Infrastructure Ltd	Valecha Badwani Sendhwa Tollways Ltd	Valecha Kachchh Toll Road Ltd	Valecha International FZE	Valecha Reality Limited	Professional Realtors Pvt Ltd.
1	Reporting Currency	INR	INR	INR	INR	INR	INR
2	Share Capital	0.05	5.00	68.50	0.31	0.05	0.01
3	Reserves	(222.65)	(15.47)	(1,265.03)	0.00	(0.32)	(0.25)
4	Total assets	54.19	31.59	42.12	24.25	6.54	0.00
5	Total Liabilities	276.79	42.06	1,238.65	23.94	6.81	0.24
6	Investment except in the case of investment in subsidiary	-	-	-	-	-	-
7	Revenue from Operations	-	13.90	6.39	-	-	-
8	Other Income	0.04	0.01	0.00	-	-	-
9	Profit/(Loss) before Taxation	(10.02)	0.25	(515.53)	-	(0.00)	(0.00)
10	Provision for tax - (Current Tax)	-	-	-	-	-	-
11	Provision for tax - (Deferred Tax)	-	-	-	-	-	-
12	Profit/(Loss) after Tax	(10.02)	0.25	(515.53)	-	(0.00)	(0.00)
13	% of Share holding	100%	74%	58%	100%	99.80%	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 20.5542 as on 31.03.2022

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

Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

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

Qualified Opinion

We have audited the consolidated financial statements of **Valecha Engineering Limited** ("the Holding Company") and its Six Subsidiaries (including one step down subsidiary) (the Holding Company and its subsidiaries together referred to as "The Group"), which comprises of Consolidated Balance Sheet as at March 31, 2023, the Consolidated Financial Statements of Profit and Loss, Other Comprehensive Income, the Consolidated Financial Statements of Changes in Equity and the Consolidated Financial Statements 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 2023, 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:

i. As explained in Note No. 49 to the Consolidated Financial Statements, Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Holding Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. The Holding Company has not made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect Corporate guarantees provided of Rs. 990.47 Crores.

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

ii. As explained in Note No. 50 to the Consolidated Financial Statements, Valecha LM Toll Private Limited (VLMTPL), an erstwhile stepdown subsidiary of the Holding Company is undergoing liquidation under Insolvency and Bankruptcy Code, 2016 vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai. Consequently, the assets of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL.

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

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

iii. The Consolidated financial 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 the absence of any further detailed information, we are unable to comment upon the resultant impact, if any, on the consolidated financial statements for the year ended March 31, 2023, which may arise on account of non-provision of impairment on goodwill as referred above.

iv. As explained in Note No. 52 to the Consolidated Financial Statements, the Holding Company has not evaluated expected credit losses for outstanding Trade Receivables of Rs. 298.97 crores which includes Rs. 99.45 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under consideration and deliberation before various authorities.

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

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

v. As explained in Note No. 53 to the Consolidated Financial Statements, the Holding Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification and hence not provided for any further interest liability in relation to its outstanding debts.

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

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

vi. As explained in Note No. 54 to the Consolidated Financial Statements, the Holding Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of its already weak financial position, the Holding Company has not made any provision of interest on these outstanding fixed deposits.

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

vii. As explained in Note No. 55 to the Consolidated Financial Statements, Other Non-Current Assets as at March 31, 2023 includes Rs. 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.

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

viii. As explained in Note No. 56 to the Consolidated Financial Statements, the Holding Company has sixteen project sites comprising of total assets of Rs. 84.36 crores [including Trade Receivables of Rs.70.46 crores and loans to other parties of Rs. 5.54 crores referred in point iv above, balances with revenue authorities of Rs. 8.33 crores referred in point vii above] and total liabilities of Rs. 26.70 crores as at March 31, 2023. These project sites have either been de-mobilized or completed or otherwise shut or non-operational. Details of transactions effecting, if any, through Bank accounts previously operated through such project sites is not available. There have been no operations in such project sites during the year ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written off or written back.

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

ix. As explained in Note no 57 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 in the process of obtaining the statements of such inoperative and dormant bank accounts.

In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the consolidated financial statements for the year ended March 31, 2023.

x. As explained in Note no 58 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 are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the consolidated financial statements for the year ended March 31, 2023, the amounts whereof are presently not ascertainable.

In absence of such third Party confirmations and reconciliations, we are unable to comment on the resultant impact if any on the consolidated financial statements for the year ended March 31, 2023.

xi. As explained in Note No. 63 to the Consolidated Financial Statements, the Holding Company's operations and activities were suspended vide Court Orders dated 05.03.2021 and 09.03.2021. However, to complete the ongoing existing projects being undertaken by the Company, Gopaldas Vasudev Construction Private Limited, a related party of the Holding Company carried out activities relating to the management of the vendor payments, site expenses and administrative expenses for ongoing projects ("project payables") for and on behalf of the Holding Company. During the quarter and year ended March 31, 2023, the Holding Company has transferred an aggregate sum of Rs.NIL and Rs.14.16 Crores respectively, to the said related party to arrange project relates expenses payables for and on behalf of the Holding Company. Out of the above funds, during the quarter and year ended March 31,2023, Rs. 0.31 Crores and Rs.13.38 Crores respectively, has been utilized towards the project payables and debited to the Holding Company. The Holding Company has also appropriately accounted all such project payables in its books of account.

We are unable to comment on the consequential impact if any arising out of the above course of transactions undertaken by the Company on the consolidated financial statements for the year ended March 31, 2023.

xii. There are various Legal Cases filed by / against the Holding Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the consolidated financial statements for the year ended March 31, 2023, the amounts whereof are presently not ascertainable.

xiii. As explained in Note No 60 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 (VIL) to the tune of Rs 0.28 crores and Rs. 6.52 crores respectively. Valecha Engineering Limited has not recovered any interest in view of already weak financial position of VRL. Similarly, VIL has also not recovered any interest amount from VRL in view of already weak financial position of VRL.

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 obtained by us and other auditors in terms of their report referred to in "Other Matter" 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. 53 & Note No. 62 to the Consolidated Financial Statements which indicates that the Holding Company has accumulated losses and its net worth has been substantially eroded and there has been defaults in repayment of various borrowings and deposits. These conditions, along with the commencement of CIRP proceedings as set forth in Note No. 46, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, the Consolidated financial results of the Company have been prepared on a going concern basis for the reasons stated in Note No.62 to the Consolidated Financial Statements.

We draw attention to Note no 61 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 audit report that:

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

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

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

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's response
1.	**Revenue from Construction Contracts**	
	There are significant accounting judgment including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition. 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. Refer to Note Number 2.7 Summary of significant accounting policies – "Revenue Recognition" of the Consolidated Financial Statements	Our procedures included: • 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 Management is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report 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, compare with the financial statements of the subsidiaries audited by the other auditors and, in doing so, place reliance on the other auditors, and 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. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

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

Management responsibilities for the Consolidated Financial Statements

The Resolution Professional is currently managing the operations of the Holding company and Consolidated Financial Statements have been prepared on going concern basis. The Holding Company's Management 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 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

The respective management of the Companies included in the Group are responsible for 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective management of the Companies included in the Group are responsible for assessing the ability of the Group 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 respective companies or to cease operations, or has no realistic alternative but to do so.

The respective company's management of the companies included in the group are responsible for overseeing the financial 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements:

- Identify and assess the risks of material misstatement of the consolidated 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 Group 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 respective entities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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 Matters

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

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

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

Report on Other Legal and Regulatory Requirements

1. 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. 'i' of "Other Matters" paragraph above and unaudited financial statements referred to in 'ii' of "Other Matters" paragraph above, we report, to the extent applicable that:

   (a) Except for the matters stated in "Basis for Qualified Opinion" paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) Except for the matters stated in "Basis for Qualified Opinion" paragraph above, 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;

   (c) 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 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 Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the Company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2023 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';

i. 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 and Note 59 to the Consolidated Financial Statements.

ii. 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.

iii. There has been no delay in transfer of amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

iv. a) The Holding Company's Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) during the year by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Holding Company's Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group during the year from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

v. (a) The Company has not declared or paid any dividend during the year ended March 31, 2023 and hence reporting compliance of Section 123 of the Act is not applicable.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Parent Company, we report that there are following qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

Sr. No	Name	CIN	Nature of Company	Clause number of the CARO report which is qualified or adverse
1	Valecha Infrastructure Limited	U55101MH1995PLC084399	Subsidiary Company	iii(b),vii(a),ix(a),xiv,xvii,xix
2	Valecha Kachchh Toll Roads Limited	U45203MH2011PLC219600	Subsidiary Company	ix(a), xix
3	Valecha Badwani Sendhwa Tollways Limited	U45203MH2011PLC215905	Subsidiary Company	vii(b)

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

Vinay Somani
Partner
Membership No: 143503
UDIN: 23143503BGWEOK3869

Place : Mumbai
Date : August 1, 2023

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

Report on the Internal Financial Controls with reference to financial statements 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, 2022, we have audited the internal financial controls with reference to consolidated financial statements 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 management 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 with reference to financial statements 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 with reference to financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Group's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control with reference to consolidated financial statements 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 Group; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for 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 Group's internal financial controls with reference to consolidated financial statements as at March 31, 2023:

a. The Holding Company is not having a full fledge 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 Holding 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 Group's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

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 with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as of March 31,2023, based on the internal control with reference to consolidated financial statements 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, 2023.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal Financial controls with reference to consolidated financial statements 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: 23143503BGWEOK3869

Place : Mumbai
Date : August 1, 2023

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Crores)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current Assets			
(a) Property, Plant & Equipment	3	2.57	3.14
(b) Right of use assets	3.1	0.11	0.05
(c) Investment Property	3.2	1.62	1.66
(d) Goodwill on Consolidation		1.80	1.80
(e) Other Intangible Assets	3.3	24.18	119.34
(f) Intangible Assets under development	3.4	-	203.59
(g) Financial Assets			
(i) Investments	4	0.08	0.08
(ii) Other Financial Assets	5	80.92	74.49
(h) Other Non-Current Assets	6	37.65	45.74
Total Non Current Assets		**148.93**	**449.89**
Current Assets			
(a) Inventories	7	0.01	0.03
(b) Financial Assets			
(i) Trade Receivables	8	302.90	305.54
(ii) Cash & Cash Equivalents	9	9.62	7.38
(iii) Bank Balances other than (ii) above	10	4.25	4.17
(iv) Loans	11	92.59	92.17
(v) Other Financial Assets	12	6.81	6.41
(c) Other Current Assets	13	27.90	28.38
Total Current Assets		**444.08**	**444.08**
Total Assets		**593.01**	**893.97**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	22.53	22.53
(b) Other Equity	15	(971.39)	(702.86)
Equity Attributable to Shareholders of the Company		**(948.86)**	**(680.33)**
Non-Controlling Interest		(538.14)	(321.68)
Total Equity		**(1,487.00)**	**(1,002.01)**
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	51.21	52.89
(ii) Other Financial Liabilities	17	36.93	28.95
(b) Provisions	18	0.58	0.13
(c) Deffered Tax Liabilities (Net)	19	3.77	3.77
(d) Other Non-Current Liabilities	20	35.46	33.37
Total Non Current Liabilities		**127.95**	**119.11**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	990.44	992.69
(ii) Trade Payables	22		
- Total outstanding dues of micro enterprises and small enterprises; and		-	0.15
- Total outstanding dues of creditors othere than micro enterprises and small enterprises		64.15	62.45
(iii) Other Financial Liabilities	23	889.54	713.22
(b) Other Current Liabilities	24	7.52	7.59
(c) Provisions	25	0.41	0.77
Total Current Liabilities		**1,952.06**	**1,776.87**
Total Equity & Liabilities		**593.01**	**893.97**
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 65		

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 : 1st August, 2023

For and on behalf of Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Particulars	Note	Year Ended March 31,2023	Year Ended March 31,2022
Income			
Revenue from Operations	26	113.69	234.43
Other Income	27	3.62	8.29
Total Income		**117.31**	**242.72**
EXPENSES			
Construction Expenses	28	101.27	226.42
Changes in Inventories	29	0.02	1.08
Employee Benefit Expenses	30	6.35	6.26
Finance Cost	31	173.63	142.92
Depreciation and Amortization Expenses	3	22.34	23.86
Other Expenses	32	11.28	12.02
Total Expenses		**314.89**	**412.56**
Profit/ (Loss) Before Share of Net Profit/ (loss) in Associate, Exceptional Items and Tax		**(197.58)**	**(169.84)**
Share of Net Profit/ (loss) in Associates		-	-
Profit/ (Loss) Before Exceptional Items and Tax		**(197.58)**	**(169.84)**
Exceptional Items (Net)	33	287.39	-
Profit/ (loss) Before Tax		**(484.97)**	**(169.84)**
Tax Expenses			
Current Tax (Including earlier year taxation)		-	-
Deffered Tax		-	-
		-	-
Profit/ (Loss) for the year		**(484.97)**	**(169.84)**
Attributable to			
Shareholders of the Company		(268.51)	(110.55)
Non-Controlling Interests		(216.46)	(59.29)
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		-	-
(c) Re-measurement of defined benefit plans		(0.01)	0.17
(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		-	0.72
(ii) Income tax relating to items that will be classified to profit or loss		-	-
Other Comprehensive Income / (Loss) for the year		(0.01)	0.89
Total Comprehensive Income for the year		**(484.98)**	**(168.95)**
Attributable to			
Shareholders of the Company		(268.52)	(109.66)
Non-Controlling Interests		(216.46)	(59.29)
Earnings per Equity Share of Face Value of Rs. 10 each			
Basic and Diluted	34	(215.25)	(75.38)
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 65		

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 : 1st August, 2023

For and on behalf of Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
A.	**Cash flow from Operating activities**		
	Profit/ (Loss) Before Tax	**(484.97)**	**(169.84)**
	Add / (Deduct) Adjustment for :		
	Depreciation and Amortization Expense	22.34	23.87
	Recognition of control in subsidiary (Refer note 33) # Rs. Nil (Previous year Rs. 42,548/-)	-	(0.00)#
	(Profit)/ Loss on sale of fixed assets (Net) # Rs. Nil (Previous year Rs. 3100/-)	-	(0.00)#
	Impairment/ Discard of Tangible and Intangible Assets	287.39	-
	Finance Cost	173.63	142.93
	Interest Income	(1.63)	(3.10)
	Re-measurement of defined benefit plans	(0.01)	0.17
	Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	-	0.72
	Rental Income from Investment Properties	(0.40)	(0.86)
	Operating Profit/ (Loss) before Working Capital changes	**(3.65)**	**(6.12)**
	Changes in Working Capital:		
	Adjustment for (increase) / decrease in operating assets:		
	Decrease in Inventories	0.03	1.08
	(Increase)/ Decrease in Trade Receivable	2.64	4.58
	(Increase) / Decrease Loans	(0.42)	2.68
	(Increase)/ Decrease in other current assets and non-current financial assets	(6.43)	6.30
	Adjustment for (increase) / decrease in operating liabilities:		
	Increase/ (Decrease) in Trade Payables	1.55	(22.09)
	Increase/(Decrease) in other current and financial liabilities (non-current)	186.75	138.77
	Increase/ (Decrease) in Provisions	(0.35)	(0.10)
	Cash Generated From / (used in) Operations	**180.11**	**125.11**
	Direct Taxes (Paid)	8.08	(2.74)
	Net Cash Flow from operating activities (A)	**188.20**	**122.37**
B.	**Cash Flow from investing activities**		
	Capital Expenditure for Property, Plant and Equipments, Investments Property, Intangible Assets including CWIP	(10.43)	(5.69)
	Proceeds from disposal of Property, Plant and Equipment, Investment Property	-	0.00
	Investment in shares	-	(0.03)
	Interest received	1.63	3.10
	Rental Income from investment property	0.40	0.86
	Net Cash flow from investing activities (B)	**(8.40)**	**(1.75)**

(₹ in Crores)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
C. Cash flow from financing activities			
Proceeds from/ (Repayment) of long term borrowings		(1.68)	(7.73)
Net increase / (Decrease) in Working Capital borrowings		(2.25)	12.47
Finance Cost		(173.63)	(142.93)
Net Cash flow used in financing activities (C)		**(177.56)**	**(138.20)**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)		**2.24**	**(17.58)**
Cash and Cash Equivalent at the beginning of the period		7.38	24.95
Cash and Cash Equivalent on account of derecognition/ recognition of step-down subsidiary		-	0.01
Cash and Cash Equivalent at the end of the period		9.62	7.38
Note: Figures in brackets represents cash outflow			7.38
Significant Accounting Policies	1 & 2		
See Accompanying notes forming part of the Financial Statements	3 to 65		

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For Bagaria & Co. LLP
Chartered Accountants
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Vinay Somani
Partner
Membership No. 143503

Place : Mumbai.
Date : 1st August, 2023

For and on behalf of Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

A.	Equity Share Capital	Nos. of Shares	Amount
	Balance as at April 01, 2021	22,530,025	22.53
	Add: Changes in Equity Share Capital	-	-
	Balance as at March 31, 2022	22,530,025	22.53
	Add: Changes in Equity Share Capital	-	-
	Balance as at March 31, 2023	22,530,025	22.53

B. Other Equity

(₹ in Crores)

Particulars	Reserve & Surplus				Item of other Comprehensive Income / (Loss)			Total
	Securities Premium Reserve	General Reserve	Compulsory Convertible Debentures (CCD)	Retained Earnings	Defined benefit plans	Re-measurement of gain/(loss) of investment/ advances in foreign subsidiary	Fair Value of Financial Measurements	
Balance at April 01, 2021	**111.24**	**43.90**	**5.20**	**(750.92)**	**(0.19)**	**2.62**	**(4.75)**	**(592.89)**
Other comprehensive Income / (loss) for the year, net of tax					0.17	0.72		0.89
Adjustments on account of recognising Associate as Subsidiary				**(0.31)**				(0.31)
Profit / (Loss) for the year	**-**	**-**	**-**	**(110.55)**	**-**	**-**	**-**	(110.55)
Balance as at March 31, 2022	**111.24**	**43.90**	**5.20**	**(861.78)**	**(0.02)**	**3.34**	**(4.75)**	**(702.86)**
Other comprehensive Income / (loss) for the year, net of tax					**(0.01)**			(0.01)
Profit / (Loss) for the year				**(268.52)**				(268.52)
Balance at March 31, 2023	**111.24**	**43.90**	**5.20**	**(1,130.30)**	**(0.03)**	**3.34**	**(4.75)**	**(971.39)**

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 : 1st August, 2023

For and on behalf of Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

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, 2023

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 recogntion 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 uncertainity 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, 2023

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 recongnised 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, 2023

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 incomeand 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.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

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

(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 it 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.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

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.

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.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

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.

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 rightof-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

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

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 Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(a) Ind AS 1 – Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

(b) Ind AS 12 – Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

(c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is evaluating the impact, if any, in its financial statements and does not expect to have these amendments to have any significant impacts in its financial statements.

2.23 Critical accounting estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

(c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(d) Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

(e) Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

3 Property, Plant & Equipment Cost

Particulars	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at April 01, 2021	1.62	1.72	2.60	1.54	7.48
Additions	-	1.13	0.01	0.20	1.34
Disposal / Adjustments	-	-	-	-	-
Balance as at March 31, 2022	1.62	2.85	2.61	1.74	8.82
Additions	-	-	0.02	-	0.02
Disposal / Adjustments	-	-	-	0.34	0.34
Impairment Losses	-	-	2.48	-	2.48
Balance as at March 31, 2023	1.62	2.85	0.15	1.40	6.02

Accumlated Depreciation

Particulars	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at April 01, 2021	0.40	1.23	2.42	1.31	5.36
Depreciation / Amortization	0.01	0.17	0.04	0.08	0.30
Disposal / Adjustments	-	-	-	-	-
Balance as at March 31, 2022	0.41	1.40	2.46	1.39	5.66
Depreciation / Amortization	0.02	0.32	0.04	0.08	0.46
Disposal / Adjustments	-	-	-	0.34	0.34
Impairment Losses	-	-	2.34	-	2.34
Balance as at March 31, 2023	0.43	1.72	0.16	1.13	3.44

Carrying Amount

Particulars	As at March 31, 2023	As at March 31, 2022
Buildings	1.16	1.20
Plant & Equipment	1.10	1.44
Furniture & Fixtures	0.03	0.16
Vehicles	0.28	0.35
Total	2.57	3.14

3.1 Right of use assets

Gross Block

	Right of use assets	Total
Balance as at April 01, 2021	**0.16**	**0.16**
Additions	0.15	0.15
Disposal / Adjustments	-	-
Balance as at March 31, 2022	**0.31**	**0.31**
Additions	0.18	0.18
Disposal / Adjustments	-	-
Balance as at March 31, 2023	**0.49**	**0.49**

Accumlated Depreciation

	Building	Total
Balance as at April 01, 2021	0.16	0.16
Depreciation	0.10	0.10
Disposal / Adjustments	-	-
Balance as at March 31, 2022	0.26	0.26
Depreciation	0.12	0.12
Disposal / Adjustments	-	-
Balance as at March 31, 2023	0.38	0.38
Net carrying amount as at March 31, 2023	0.11	0.11
Net carrying amount as at March 31, 2022	0.05	0.05

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

3.2 Investment Property

Cost

Particulars	Buildings	Total
Balance as at April 01, 2021	**2.54**	**2.54**
Additions	-	-
Disposal / Adjustments	-	-
Balance as at March 31, 2022	**2.54**	**2.54**
Additions	-	-
Disposal / Adjustments	-	-
Balance as at March 31, 2023	**2.54**	**2.54**

Accumlated Depreciation

Particulars	Building	Total
Balance as at April 01, 2021	**0.83**	**0.83**
Depreciations	0.04	0.04
Disposal / Adjustments	-	-
Balance as at March 31, 2022	**0.87**	**0.87**
Depreciations	0.04	0.04
Disposal / Adjustments	-	-
Balance as at March 31, 2023	**0.91**	**0.91**

Carrying Amount

Particulars	As at March 31, 2023	As at March 31, 2022
Buildings	1.62	1.66
Total	**1.62**	**1.66**

Disclosure pursuant to Ind AS 40 “Investment Property”

(i) Amount recognised in profit or loss for Investment Properties

	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
1	Rental Income	0.37	0.84
2	Direct operating expenses from property that generate rental income.	0.04	0.04
3	Direct operating expenses from property that did not generate rental income.	0.04	0.04
4	The Parent company is using same life for the same class of asset as applicable for property plant and equipment.		

(ii) Details with respect to fair valuation of Investment property :

1 Fair valuation is based on internal assessment by management based on Government rates, Market trend and previous valuation report Rs.22.14 Crores (Rs.22.14 crores for March 31, 2022)

3.4 Other Intangible Assets

Cost

Particulars	Concessionaire Right	Total
Balance as at April 01, 2021	298.69	298.69
Additions	-	-
Disposal / Adjustements	-	-
Balance as at March 31, 2022	**298.69**	**298.69**
Additions	-	-
Disposal / Adjustements	-	-
Impairment Losses	200.25	200.25
Balance as at March 31, 2023	**98.44**	**98.44**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

Accumlated Depreciation

Particulars	Concessionaire Right	Total
Balance as at April 01, 2021	155.94	155.94
Depreciation / Amortization	23.42	23.42
Disposal / Adjustements	-	-
Balance as at March 31, 2022	179.35	179.35
Depreciation / Amortization	21.72	21.72
Disposal / Adjustements	-	-
Impairment Losses	126.81	126.81
Balance as at March 31, 2023	74.26	74.26

Carrying Amount

Particulars	As at March 31, 2023	As at March 31, 2022
Concessionaire Right	24.18	119.34
Total	**24.18**	**119.34**

3.5 Intangible Assets under development

At Cost

Particulars	Concessionaire Right	Total
Balance as at April 01, 2021	199.39	199.39
Additions	4.20	4.20
Capitalisation	-	-
Balance as at March 31, 2022	203.59	203.59
Additions	25.03	25.03
Capitalisation	-	-
Impairment Losses	228.61	228.61

Balance as at March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Concessionaire Right	-	203.59
Total	**-**	**203.59**

3.5.1 Ageing of Intangible Assets under development

Particulars	As at 31-03-2023				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
Concessionaire Right	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Particulars	As at 31-03-2022				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
Concessionaire Right	4.20	8.08	3.30	188.00	203.59
Total	**4.20**	**8.08**	**3.30**	**188.00**	**203.59**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

4 Investments

(Rupees in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Unquoted & Fully Paid				
Equity Instruments				
In Associate Companies - At Cost				
Valecha Power Ltd	-	0.03	-	0.03
Investment in Gopaldas Vasudev Construction Limited	352	-	352	-
[352 (Pr. Yr. Nil) Equity Shares Face Value of Rs 100 Each]			-	-
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	0.05
Less:- Provision for Diminution in the value of Investment		(0.05)	-	(0.05)
		0.03		**0.03**
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 - Unuqoted				
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		7.40
Less: Provision for Diminution in the value of Investment		(7.40)		(7.40)
		-		-
Investment in Debentures of subsidiary - Unquoted				
Invetment 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		37.31
Less: Provision for Diminution in the value of Investment		(37.31)		(37.31)
		-		**-**
Total		**0.08**		**0.08**
Aggregate amount of unquoted investments		**0.08**		**0.08**

5 Other Non Current Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good unless otherwise stated		
Security Deposits	0.19	0.10
Retention	36.27	29.38
Advance to suppliers	26.16	26.71
Others	18.30	18.30
Total	**80.92**	**74.49**

6 Other Non Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Income Tax (net of provisions)	6.25	12.35
Balance with Government Authorities	31.39	33.38
Deposits	0.01	0.01
Total	**37.65**	**45.74**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

7 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(As taken, valued & certified by Management)		
Stock of Materials	0.01	0.03
Total	**0.01**	**0.03**

8 Trade Receivables*

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (Refer note no. 8.1)		
Considered Good	302.90	305.54
Considered Doubtful		-
	302.90	305.54
Less: Allowance for Expected Credit Loss	-	-
Total	**302.90**	**305.54**

*** Refer note no. 44.2 for credit risk**

8.1 Current assets: Trade Receivables ageing

Particulars	As at 31-3-2023					
	Outstanding for the following periods from the date of the transaction					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:						
Considered good	-	-	-	-	-	-
Increase in credit risk	5.76	1.04	6.21	13.90	176.43	203.33
Credit impaired	-	-	-	-	-	-
Disputed:						
Considered good	-	-	-	-	99.57	99.57
Increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross trade receivables	5.76	1.04	6.21	13.90	276.00	302.90
Less: Allowance for expected credit loss						-
Total						302.90

Particulars	As at 31-3-2022					
	Outstanding for the following periods from the date of the transaction					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:						
Considered good	-	-	-	-	-	-
Increase in credit risk	8.73	0.82	5.63	1.46	189.34	205.97
Credit impaired	-	-	-	-	-	-
Disputed:						
Considered good	-	-	-	-	99.57	99.57
Increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross trade receivables	8.73	0.82	5.63	1.46	288.91	305.54
Less: Allowance for expected credit loss						-
Total						305.54

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

9 Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	0.09	0.07
Balances with Banks		-
- In Current Accounts	9.53	7.31
Total	**9.62**	**7.38**

10 Other Bank Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked Balances with Banks		
- Unpaid Dividend Accounts	0.01	0.01
- Margin Money Deposit	4.24	4.16
Total	**4.25**	**4.17**

11 Loans (Current)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Loans to Related Parties	35.69	35.70
Loans and Advances to Employees	0.38	0.46
Other Loans and advances	56.52	56.01
	-	-
Total	**92.59**	**92.17**

12 Other Current Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Recoverable	0.45	0.44
Rent Receivable	-	0.11
Interest Accrued on Fixed Deposits	6.08	5.40
Other Receivables	0.28	0.46
Total	**6.81**	**6.41**

13 Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with GST Authorities	5.92	6.26
Unbilled Revenue	14.37	16.22
Advance to suppliers	7.13	5.25
Others	0.48	0.65
Total	**27.90**	**28.38**

14 Share Capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
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, 2023

(₹ in Crores)

14.1 Reconciliations of the number of equity shares and amount outstanding at beginning and end of the year

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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 March 31, 2022		As at March 31, 2022	
	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

15 Other Equity

	Particulars	As at 31st March, 2023	As at 31st March, 2022
15.1	**Securities Premium Account**	111.24	111.24
15.2	**General Reserve**	43.90	43.90
15.3	**Retained Earnings**	(1,130.30)	(861.78)
15.4	**Compulsory Convertible Debentures (CCD) (Unsecured)**	5.20	5.20
	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.		
15.5	**Other Comprehensive Income**	(1.43)	(1.42)
	Total	**(971.39)**	**(702.86)**

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.

16 Non Current Borrowings

(Rupees in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term Loans :		
From Banks	20.43	22.11
Unsecured		
Related Parties	27.78	27.78
Others *	3.00	3.00
Total	**51.21**	**52.89**

*(From erstwhile Directors and relatives of Directors)

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

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, 2023	Amount Outstanding as at March 31, 2022
16.1.c	**Valecha Badwani Sendhwa Tollways Limited**				
	Repayable in 47 unequal quarterly installments, secured by first charge over the properties and assets along with assigment of all the revenues of the borrower from the project along with other securities	May-29	11.40%	31.23	33.62

17 Other Non Current Financial Liabilities

(Rupees in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount Withheld and Retention from sub-contractors	36.78	28.81
Security Deposits	0.15	0.14
Total	**36.93**	**28.95**

18 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
-Provision for Gratuity (Refer note 41B)	0.58	0.13
Total	**0.58**	**0.13**

19 Deffered Tax Liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities		
Differences in WDV in Block of Fixed Assets as per Tax Books and Financial Books	3.77	3.77
Deferred Tax Assets		
Carry Forward Losses as per the Income Tax Act 1961	-	-
(Recognised to the extent of Deferred tax liabilities)		
Deffered Tax Liabilities (Net)	**3.77**	**3.77**

20 Other Non-Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for contractual obligations	35.46	33.37
Total	**35.46**	**33.37**

21 Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
From Banks - Secured :		
Working Capital Loans - Cash Credit Limits	242.35	242.38
Short Term Facilities	414.53	416.20
Current maturities of Long Term Borrowings *(Refer Note 16.1 & 21.2)*	219.71	220.26
From Others - Unsecured :		
Other Short Term Loans	17.43	17.43
Current Maturities of Fixed Deposits *(Refer Note 21.2)*	22.94	22.94
Others	73.48	73.48
Total	**990.44**	**992.69**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

****Note :**

1. 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

2. The amount is after considering the repayment on account of One Time Settlement (OTS) of Rs.3.75 Crores (Previous year Rs.3.75 Crores)

21.1 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, 2023)		
		Principal	Interest	Total
Valecha Engineering Limited				
Working Capital Facilities				
State Bank of India	2557 Days	193.69	42.08	235.77
Axis Bank Ltd	2566 Days	72.54	20.83	93.37
Canara Bank	2726 Days	21.16	1.93	23.09
DBS Bank India Ltd	1916 Days	26.55	0.00	26.55
Total		**313.94**	**64.84**	**378.78**

Working capital loans are secured by hypothication 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.

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

Particulars	Period of Default	Amount of Default (As at March31, 2023)		
		Principal	Interest	Total
Valecha Engineering Limited				
Term Loan				
Central Bank of India	2739 Days	35.98	13.04	49.02
Syndicate Bank	2646 Days	58.17	19.71	77.88
Yes Bank	2128 Days	6.90	1.65	8.55
State Bank of Bikaner & Jaipur (SBI)	2555 Days	12.08	3.47	15.55
Machinery Loan				
SREI Equipment Finance Ltd	2190 Days	17.52	10.28	27.80
Fixed Deposits from Public	3133 Days	22.94	-	22.94
Total (a)		**153.59**	**48.16**	**201.75**
Valecha Infrastructure Limited				
Term Loan				
Yes Bank	2221 Days	78.25	60.44	138.69
Total (b)		**78.25**	**60.44**	**138.69**
Valecha Kachchh Toll Roads Ltd.				
Term Loan				
Canara Bank	2859 Days	198.83	487.70	686.53
Indian Overseas Bank	2859 Days	161.17	206.83	368.00
Total (c)		**360.00**	**694.53**	**1,054.53**
Total (a+b+c)		**591.84**	**803.13**	**1,394.97**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

22 Trade Payables (Refer note 22.3)

Particulars	As at March 31, 2023	As at March 31, 2022
Dues of Micro and Small Enterprises	-	0.15
Others	64.15	62.45
Total	**64.15**	**62.60**

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

		As at March 31, 2023	As at March 31, 2022
a.	Principal amount remaining unpaid	-	0.15
b.	Interest due thereon remaining unpaid	-	-
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		**-**	**0.15**

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.

22.3 Current liabilities: Trade payables ageing

(Rupees in Crores)

Particulars	As at 31-3-2022				
	Outstanding for the following periods from the date of the transaction				Total
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	
Undisputed:					
Micro and small enterprises	-	-	-	-	-
Others	21.67	13.59	6.00	22.89	64.15
Disputed:					
Micro and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	21.67	13.59	6.00	22.89	64.15

Particulars	As at 31-3-2021				
	Outstanding for the following periods from the date of the transaction				Total
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	
Undisputed:					
Micro and small enterprises	0.15	-	-	-	0.15
Others	28.72	11.44	2.39	19.89	62.45
Disputed:					
Micro and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	28.87	11.44	2.39	19.89	62.60

23 Other Current Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current Maturities of lease liabilities	0.12	0.05
Interest Accrued and Due on Borrowings *(Refer Note 16.1 & 21)*	886.42	713.01
Earnest Money Deposit from Prospective Resolution Applicants	3.00	0.16
Total	**889.54**	**713.22**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

24 Other Current Liabilities3

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	7.45	6.86
Advance from Contractees	0.07	0.73
Total	**7.52**	**7.59**

25 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
-Gratuity (Refer note 41B)	0.41	0.77
Total	**0.41**	**0.77**

26 Revenue from Operations

(Rupees in Crores)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Income from Contract and Services	93.39	209.98
Revenue from Toll collection and Annuity	20.30	24.45
Total	**113.69**	**234.43**

27 Other Income

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest on Fixed Deposits	0.68	0.86
Interest from Others	0.95	2.24
Lease Rental Income	0.40	0.86
Sundry balances written back	1.57	3.99
Excess Provision of earlier years written back	0.01	0.05
Profit on Sale of Fixed Assets	#	#
Miscellaneous Income	0.01	0.29
Total	**3.62**	**8.29**

Rs. Nil (Previous year Rs.3,100/-)

28 Construction Expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Materials Purchase	0.06	9.19
Sub-Contracting Expenses	97.77	202.43
Power and Fuel	0.19	2.65
Repairs, Rent & Maintenances to Plant & Machineries and Vehicles	0.02	0.15
Machinery Hire Charges	0.31	1.72
Site Expenses	2.92	10.28
Total	**101.27**	**226.42**

29 Changes in Inventories

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Stock	0.03	1.11
Less: Closing Stock	0.01	0.03
Total	**0.02**	**1.08**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

30 Employee Benefits Expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, Wages, and Bonus	5.82	5.40
Contribution to Provident Fund, Gratuity and other funds	0.38	0.44
Welfare Expenses	0.15	0.42
Total	**6.35**	**6.26**

31 Finance Cost

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Expenses		
-Banks	173.42	142.68
-Others Parties	0.05	0.15
Interest cost on Security deposits	0.06	0.03
Interest Component of Lease Liability	0.02	0.01
Other Borrowing Cost	0.08	0.05
Total	**173.63**	**142.92**

32 Other Expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Rent, Rates and taxes	0.57	0.28
Rent and Hire Charges	0.08	0.09
Printing and stationery	0.03	0.03
Telephone and Postage	0.08	0.05
Traveling and conveyance	0.51	0.39
Electricity charges	0.24	0.13
Professional Fees	2.33	1.50
Repairs and Maintenance - Buildings	0.18	0.09
Repairs and Maintenance - Plant and Machinery	0.03	0.05
Repairs and Maintenance - Others	0.20	0.05
Repairs and Maintenance	3.14	3.22
MMR Provision	3.26	4.99
MPRDC Premium	0.04	0.04
Bank charges	#	#
Payments to Auditor	0.18	0.17
Miscellaneous expenses	0.41	0.94
Total	**11.28**	**12.02**

Rs.17,596/-(Previous year Rs.23,854/-)

32.1 Auditors Remunerations

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Audit Fees	0.17	0.17
Certification and Other Services including Service Tax and Goods and Service Tax	0.01	-
Total	**0.18**	**0.17**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

33 Exceptional Items (Net)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Impairment/ discard of Intangible Assets	73.43	-
Impairment/ discard of Tangible Assets	0.13	-
Impairment/ discard of inangible Assets under development	213.83	-
Recognition of control in subsidiary # Rs. Nil (Previous year Rs. 42,548/-)	-	(0.00)#
Total	**287.39**	**-**

34 Earnings per Share

(Rupees in Crores)

Particulars	2022-23	2021-22
Profit attributable to Equity Shareholders (Rs. in crores)	(484.97)	(169.84)
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.)	(215.25)	(75.38)

35 Contingent Liabilities

Contingent Liabilities are not provided for and are as below :

	Particulars	2022-23	2021-22
1	Outstanding Bank Guarantees	15.90	15.90
2	Corporate Gauarantees	1,420.65	-
3	Late payment and over limit charges on credit card dues	5.89	5.89
4	Other matter not acknowledged as debt		
	- Income Tax	123.93	-
	- Good and Services Tax	10.84	-

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	Aryavrat Tollways Pvt. Ltd.
Enterprises where KMPs have significant influence	Gopaldas Vasudev Construction Pvt. Ltd.
	Valecha Power Ltd.
	Kavi Engineers and Consultants
Enterprises having significant influence over the Holding Company	Valecha Investment Private Limited
Joint Ventures	Valecha - Transtonnelstroy (JV)
	Valecha - VKJ (JV)
	Valecha - SDPL JV
	Valecha Shraddha (JV))
	Valecha - CSR (JV)
	Valecha - TTC (JV)

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

Key Management Personnel (KMP)	
Independent Director	S N Kavi
Independent Director (Up to 27-08-2022)	Tejas Deshpande
Independent Director (w.e.f. 27-12-2021)	Achal Kapoor
Independent Director (w.e.f. 27-12-2021)	Bharti Ranga
Independent Director (w.e.f. 27-12-2021)	Chetna Verma
Independent Director (w.e.f. 27-08-2022)	Swati Jain
Non-Executive Director	Lalna Takekar
Chief Executive Officer	Tarun Dutta
Company Secretary & Legal	Vijay Kumar H. Modi
Chief Financial Officer	Anil S. Korpe
Relatives of Key Management Personnel	P D Deshpande

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	2022-23	2021-22
a.	Consultancy charges paid	**0.13**	**0.29**
b.	Deposit / Loans / Repayment received during the year	**13.38**	**30.78**
c.	Deposit / Loans given / Repaid during the year	14.17	**31.36**
d.	Outstanding Balance - Amount Payable	**29.13**	**28.35**
e.	Outstanding Balance - Amount Receivable	**6.50**	**6.50**

ii. Transactions with Joint Ventures

	Particulars	2022-23	2021-22
a.	Sales	**19.76**	**32.54**
b.	Outstanding Balance - Amount Receivables	**13.10**	**13.10**

iii. Transactions with Key Management Personnel (KMP)

Particulars	2022-23	2021-22
Remuneration paid during the year	**1.89**	**0.97**
Sitting Fees	**0.09**	**0.03**

iv. Transactions with relatives of Key Management Personnel (KMP)

Particulars	2022-23	2021-22
Consultancy charges paid during the year	**0.03**	**0.09**

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-23	31-Mar-22
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%
6	Valecha Reality Ltd. (w.e.f. 29/12/2021)	India	99.80%	99.80%
Associate Company				

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.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

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.

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	2022-23		2021-22	
	As at year end	Maximum balance during year	As at year end	Maximum balance during year
Valecha Investment Pvt. Ltd.	6.49	6.49	6.49	6.49
Valecha Power Ltd.	0.01	0.01	0.01	0.01
Total	**6.50**	**6.50**	**6.50**	**6.50**

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 Providend Fund. The expenses recognised for the year are as under :

Particulars	2022-23	2021-22
Employer's Contribution to Providend Fund	0.11	0.09
Employer's Contribution to Employee's state Insurance	0.00	0.00
Employer's Contribution to Pension Fund	0.08	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 2023 and 31 March 2022.

	Particulars	2022-23	2021-22
i	**Changes in present value of obligations**		
	Present value of obligations as at the beginning of year	0.95	1.05
	Interest cost	0.03	0.07
	Current Service Cost	0.06	0.09
	Past Service Cost	(0.01)	-
	Benefits Paid	(0.05)	(0.09)
	Actuarial gain on obligations	0.01	(0.17)
	Present value of obligations as at the end of year	0.99	0.95
ii	**Changes in the fair value of plan assets**		
	Fair value of plan assets at the beginning of year	0.05	0.13
	Expected return on plan assets	-	0.01
	Contributions	-	-
	Benefits paid	(0.05)	(0.09)
	Actuarial gain on Plan assets	0.00	(0.00)
	Fair value of plan assets at the end of year	0.00	0.05

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

	Particulars	2022-23	2021-22
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	(0.99)	(0.95)
	Fair value of plan assets as at the end of the year	0.00	0.05
	Net (liability) / asset recognized in balance sheet	(0.99)	(0.90)
	Amount recognised in the statement of profit and loss under employee benefit expenses.		
	Expenses Recognised in statement of Profit & Loss		
	Current Service cost	0.06	0.09
	Interest Cost	0.03	0.06
	Expected return on plan assets	-	-
	Net Actuarial gain recognised in the year	-	-
	Expenses recognised in statement of Profit & Loss Account	0.09	0.15
	Amount recognised in the statement of other comprehensive income (OCI).		
	Actuarial Gain/Loss recognized		
	Actuarial (gain)/losses on obligation for the year	0.01	(0.17)
	Return on Plan Asset, excluding Interest Income	(0.00)	0.00
	Change in Asset ceiling	-	-
	Net (Income)/Expense for the period recognized in OCI	0.01	(0.17)

Principal actuarial assumptions at the Balance Sheet date

Particulars	2022-23	2021-22
Expected Return on Plan Assets	7.39%	6.90%
Rate of discounting	7.39%	6.90%
Rate of Salary Increase	8.00%	8.00%
Rate of employee turnover	10.00%	10.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ult
Mortality Rate after employment	N.A.	N.A.

42 Deferred taxes not recognised

In absence of resonable certainity, the Group has not recognnised Deferred Tax Assets to the extent mentioned below in the table.

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets in relation to :		
Carried Forward Losses	17.46	18.15
Property, plant and equipment/Investment Property/Other Intangible Assets	1.70	2.46
Total	**19.16**	**20.61**

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.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

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, 2023	March 31, 2022
Borrowing	1,928.07	1,758.59
Total equity	(1,487.00)	(1,002.01)
Total Capital (Borrowing and Equity)	441.07	756.58
Gearing Ratio	(1.30)	(1.76)

(i) Borrowings represents total borrowings (non-current & current).

(ii) Equity comprises of all components incuding 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 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.

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 Undertaikings. 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 ₹ 497.09 crores (₹490.16 crores for March 31, 2022), 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, 2023

(₹ in Crores)

Particulars	2022-23			2021-22		
	Less than 1 year	Between 1 and 5 years	Total	Less than 1 year	Between 1 and 5 years	Total
a. Borrowings	1,876.86	51.21	1,928.07	1,705.70	52.89	**1,758.59**
b. Trade Payables	64.15	-	64.15	62.60	-	**62.60**
c. Other Financial Liabilities	889.54	36.93	926.47	713.22	28.95	**742.17**
Total	**2,830.55**	**88.14**	**2,918.69**	**2,481.52**	**81.84**	**2,563.36**

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-23	As at 31-Mar-22
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	80.92	74.49
Security Deposits - Current	8	126.83	128.28
Loans	11	92.59	92.17
Trade receivables	8	176.07	177.26
Total		**476.46**	**472.25**

44.4.2 **Category-wise classification for applicable financial liabilities:**

Particulars	Note	As at 31-Mar-23	As at 31-Mar-22
Measured at amortised cost:			
Borrowings - Non current	16	51.21	52.89
Borrowings - Current (Short Term)	21	747.79	749.49
Borrowings - Current maturities of long term borrowings & fixed deposits	21 & 23	1,129.07	956.21
Trade payables	22	52.44	49.40
Retention money from Sub-contractors	22	11.71	13.20
Measured at fair value through Other Comprehensive Income (FVTOCI)		-	-
Total		**1,992.22**	**1,821.19**

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, 2023

(₹ in Crores)

45 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31-3-2023:

(Rupees in Crores)

No.	Name of the Company	Net Assets		Share in Profit/ (Loss)		Share in OCI		Share in total comprenensive income	
		As % of consol	Amt.	As % of consol	Amt.	As % of consol	Amt.	As % of consol	Amt.
	Parent								
1	Valecha Engineering Limited	-2.3%	21.72	5.3%	(14.33)	100.0%	(0.01)	5.3%	(14.34)
	Subsidiaries								
2	Valecha Infrastructure Limited	23.5%	(222.60)	3.7%	(10.02)	0.0%	-	3.7%	(10.02)
3	Valecha International (FZE)	0.0%	0.31	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	1.1%	(10.47)	-0.1%	0.25	0.0%	-	-0.1%	0.25
6	Valecha Kachchh Toll Roads Limited	126.1%	(1,196.53)	192.0%	(515.53)	0.0%	-	192.0%	(515.53)
7	Valecha Reality Limited	0.0%	(0.27)	0.001%	(0.00)			0.001%	(0.00)
	Total	**148.4%**	**(1,408.08)**	**201.0%**	**(539.64)**	**100.0%**	**(0.01)**	**201.0%**	**(539.65)**
	CFS Adjustment and elimination	8.3%	(78.92)	-20.4%	54.67	0.0%	-	-20.4%	54.67
	Minority	-56.7%	538.14	-80.6%	216.46		-	-80.6%	216.46
	Total	**100.0%**	**(948.86)**	**100.0%**	**(268.51)**	**100.0%**	**(0.01)**	**180.6%**	**(268.52)**

46 Hon'ble, NCLT, Mumbai, passed order dated 21.10.2022 in Company Petition no. CP (IB) No.594/MB-IV/2021 filed by STATE BANK OF INDIA, the Financial Creditor /Petitioner, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against the Holding Company, Corporate Debtor/Respondent, for initiating Corporate Insolvency Resolution Process (CIRP).

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

47 The above audited consolidated financial statments were prepared by the management of the Holding Company and RP took the same on record basis. The Statutory Auditors have carried out the Audit of the Consolidated Financial Statements for the year ended March 31, 2023 vide their report dated August 1, 2023.

48 With respect to the consolidated financial statements for the year ended March 31, 2023, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

i. The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;

ii. No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;

iii. The RP, in audit of the consolidated financial statements and while signing these consolidated financial statements, has relied upon the assistance provided by the Key Managerial Personnel ("KMP") of the Corporate Debtor, and representations and statements made by the KMP of the Corporate Debtor, in relation to these consolidated financial statements. The consolidated financial statements of the Corporate Debtor for the year ended March 31, 2023 have been taken on record by the RP solely on the basis of and on relying the aforesaid representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the consolidated financial statements and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the consolidated financial statements.

49 Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Holding Company, has continued to incur losses and has eroded its networth completely. On 20.03.2023, Canara Bank being the lead banker, has filed an insolvency petition under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench which is pending for admission. Further, Holding Company has given Corporate Guarantees of Rs.990.47 Crores for the loans availed by VKTRL. The Company has not made any provision on this count in view of likely admission of VKTRL in to CIRP and then likely resolution also.

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2023

(₹ in Crores)

50 Valecha LM Toll Private Limited (VLMTPL), an erstwhile step down subsidiary of the Holding Company (VEL), has been referred to liquidation vide Order dated 27th October, 2020 of Hon'ble NCLT, Mumbai and liquidation process has commenced. The asset of VLMTPL has been auctioned and the proceeds have been distributed amongst the secured financial creditors of VLMTPL. Further, Corporate Guarantees of Rs.261.14 Crores given by VEL has been invoked by the secured financial creditors of VLMTPL against the Company. However, the Holding Company has not made any provision on this count in view of ongoing CIRP proceedings of VEL and likely approval of Resolution Plan of Resolution Applicant.

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

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

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

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

54 The Holding Company has an outstanding principal liability of Rs. 22.94 crores as at March 31, 2023 payable to public fixed deposit holders. In view of the already weak financial position of the Holding Company, the Holding Company has not provided any further interest on these outstanding overdue deposits. Further, there has been NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and NCLAT order dated 12.02.2020 in the matter.

55 The Holding Company has Other Non Current Assets as at March 31, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.

56 The Holding Company has sixteen project sites comprising of total assets of Rs. 84.36 crores [including Trade Receivables of Rs.70.46 crores and loans to other parties of Rs. 5.54 crores referred in point 51 above, balances with revenue authorities of Rs. 8.33 crores referred in point vii above] and total liabilities of Rs. 26.70 crores as at March 31, 2023. These project sites have either been de-mobilized or completed or otherwise shut or non-operational. Details of transactions effecting, if any, through Bank accounts previously operated through such project sites is not available. There have been no operations in such project sites during the year ended March 31, 2023. Movement in accounts of such project sites, if any, is on account of balances being written off or written back.

57 The Holding Company has certain in-operative Bank accounts, which have turned dormant on account of closure of sites, changes in signatories etc. The Holding Company is in the process of obtaining the statements of such inoperative and dormant bank accounts.

58 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.

59 There are various Legal cases filed by/ against the Holding Company. Since the cases are ongoing and the management believes that they have a strong case. The Holding Company do not foresee any material impacts on the financial statement of the Holding Company.

60 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.

61 VKTRL continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses for the quarter ended June 30,2023 and in previous financial years. It has also continued to default in repayment of its financial obligation including interest. VKTRL has received PCOD (provisional commercial operation date) for section 1 from GSRDC on 13.05.2015 which was operational and revenue was being generated upto 23.02.2023. VKTRL was also close to final completion and commencement of toll operations for Section 2 of the Project. VKTRL has already submitted a claim of Rs.1862.03 crores on GSRDC towards delay events upto and including 31.03.2022 on 26.07.2022. GSRDC has also made a counter claim of Rs. 416.27 Crores on VKTRL and accordingly both the parties have moved to conciliation process in accordance with the provisions of the Concession Agreement. During the pendency of the Conciliation process, GSRDC has terminated the contract with VKTRL on 23.02.2023 and has taken over control of its toll operations. Further GSRDC has also invoked arbitration proceedings vide letter dated 07.03.2023 during the pendency of the conciliation process which VKTRL has strongly opposed and have asked for completion of conciliation process before invoking of arbitration clause. VKTRL is also in the process to submit an upward revised Statement of Claims for the period upto and including 23.02.2023.

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

62 The accumulated losses incurred in the past years have resulted in erosion of Group's peak Net worth. However, in view of the fact that CIRP has been initiated against the Holding Company and since as per provisions of IBC, 2016, as the company is to be kept as a going concern, financial statements are prepared assuming that it will continue as a going concern. During the ongoing CIRP, the RP has also received claims from various operational and financial creditors.

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

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

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

64 (A) No proceeding has been initiated or pending against the Holding Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

(B) The Holding Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(C) The Holding Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(D) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(E) The Holding Company does not have any transactions with companies struck off.

(F) The Holding Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(G) The Holding Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(H) The Holding Company has been declared as wilful defaulter by Canara Bank in 2021 and Central Bank of India in 2019.

65 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

Vinay Somani
Partner
Membership No. 143503

Place : Mumbai.
Date : 1st August, 2023

For and on behalf of Valecha Engineering Limited

Anurag Kumar Sinha
Resolution Professional
IBBI/IPA – 001/IP – P00427/2017-18/10750

Tarun Dutta
Chief Executive Officer

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

Anil S. Korpe
Chief Financial Officer

Notes

If undelivered, please return to:

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Andheri (West), Mumbai - 400 053.

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