VALECHA ENGINEERING LIMITED
Under Corporate Insolvency Resolution Process

VALECHA
REDEFINING INFRASTRUCTURE

Ref: VEL/2023-24

10.11.2023

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: OUTCOME OF BOARD MEETING HELD ON FRIDAY, 10.11.2023
REF.: OUR LETTER NO. VEL/2023-24 DATED 31.10.2023

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, we would like to inform you that the Board of Directors of the Company at their meeting held today i.e. **Friday, 10.11.2023** has inter-alia considered and approved/taken on record the Unaudited Financial Results (Standalone and Consolidated) of the Company for the **2nd Quarter and half year ended 30th September, 2023** along with the Limited Review Report of the Auditors of the Company.

The meeting commenced at **03.30 PM** the concluded at 07:35 PM

We request you to kindly take the above on record.

Thanking You,

Yours Faithfully,

FOR VALECHA ENGINEERING LIMITED
(UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS)

(VIJAYKUMAR MODI)
COMPANY SECRETARY & LEGAL

Regd. Office: Valecha Chambers, 4th floor, Plot No. B-6, New Link Road, Andheri (W), Mumbai 400053, India.
T: + 91-22-26733625 - 29, 42633200, 26733587 F: + 91-22-26733945 E: ho@valecha.in W: www.valecha.in
CIN - L74210MH1977PLC019535

VALECHA ENGINEERING LIMITED

(An ISO 9001-2015 Company) CIN : L74210MH1977PLC019535
Regd. Office : Valecha Chambers, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.
Email : ho@valecha.in Website : valechaeng.com

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2023

(₹ in Crores) Except EPS

Sr. No.	PARTICULARS	For the quarter ended on			For the half year ended on		For the year ended on
		30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
1	**Income**						
	(a) Revenue from Operations	20.44	12.52	27.85	32.96	41.85	90.07
	(b) Other Income	0.15	0.21	0.69	0.36	1.53	3.61
	Total Income	**20.59**	**12.73**	**28.54**	**33.32**	**43.38**	**93.68**
2	**Expenses**						
	a. Construction Expenses	18.78	12.77	27.51	31.55	40.45	101.27
	b. Changes in inventories	0.01	-	-	0.01	0.03	0.02
	c. Employees Benefits Expense	0.61	0.84	1.19	1.45	2.73	5.41
	d. Finance costs	0.11	0.07	0.08	0.18	0.10	0.19
	e. Depreciation and amortization Expenses	0.11	0.13	0.13	0.24	0.26	0.54
	f. Other Expenses	0.68	0.67	1.19	1.35	1.80	3.90
	Total Expenses	**20.30**	**14.48**	**30.10**	**34.78**	**45.37**	**111.33**
3	**Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)**	**0.29**	**(1.75)**	**(1.56)**	**(1.46)**	**(1.99)**	**(17.65)**
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-	-	-
5	**Profit / (Loss) before Exceptional Items and tax (3+4)**	**0.29**	**(1.75)**	**(1.56)**	**(1.46)**	**(1.99)**	**(17.65)**
6	Exceptional Items	-	-	-	-	-	-
7	**Profit / (Loss) before tax (5-6)**	**0.29**	**(1.75)**	**(1.56)**	**(1.46)**	**(1.99)**	**(17.65)**
8	Tax Expense						
	(a) Current Tax (Including earlier year taxation)	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
9	**Profit / (Loss) for the Period (7-8)**	**0.29**	**(1.75)**	**(1.56)**	**(1.46)**	**(1.99)**	**(17.65)**
10	Other Comprehensive Income (OCI)						
	(a) i. Items that will not be reclassified to profit or loss	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)
	ii. Income tax relating to items that will not be reclassified to profit or loss						-
	(b) i. Item that will be reclassified to profit or loss	-	-	0.92	-	1.94	-
	ii. Income tax relating to items that will be reclassified to profit or loss						-
	Total Other Comprehensive Income	**(0.01)**	**(0.01)**	**0.91**	**(0.02)**	**1.92**	**(0.01)**
11	**Total Comprehensive Income for the period (9+10)**	**0.28**	**(1.76)**	**(0.65)**	**(1.48)**	**(0.07)**	**(17.66)**
12	**Net Profit/(Loss) attributable to :**						
	Shareholders of the Company	-	-	-	-	-	-
	Non-Controlling interest	-	-	-	-	-	-
13	**Other Comprehensive Income attributable to :**						
	Shareholders of the Company	-	-	-	-	-	-
	Non-Controlling interest	-	-	-	-	-	-
14	**Total Comprehensive Income attributable to :**						
	Shareholders of the Company	-	-	-	-	-	-
	Non-Controlling interest	-	-	-	-	-	-
15	Paid-up Equity Share Capital (Face Value ₹ 10/-)	22.53	22.53	22.53	22.53	22.53	22.53
16	Other Equity Excluding Revaluation Reserves						(0.81)
17	Earning Per Share (of ₹ 10/- each) (not annualised):						
	(i) Basic earnings (loss) per share	0.13	(0.78)	(0.69)	(0.65)	(0.88)	(7.83)
	(ii) Diluted earnings (loss) per share	0.13	(0.78)	(0.69)	(0.65)	(0.88)	(7.83)
	See accompanying note to the Financial Results						

VALECHA ENGINEERING LTD

VALECHA ENGINEERING LIMITED

(An ISO 9001-2008 Company) CIN : L74210MH1977PLC019535

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

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

STANDALONE BALANCE SHEET

(₹ in Crores)

Particulars	STANDALONE	
	As at 30th September 2023	As at 31st March 2023
	(Unaudited)	(Audited)
ASSETS		
Non Current Assets		
(a) Property, Plant & Equipment	2.13	2.31
(b) Right of use assets	0.09	0.11
(c) Investment Property	1.60	1.62
(d) Financial Assets		
(i) Investments	42.07	42.07
(ii) Other Financial Assets	90.82	80.92
(e) Other Non-Current Assets	37.72	36.99
Total Non Current Assets	**174.43**	**164.02**
Current Assets		
(a) Inventories	-	0.01
(b) Financial Assets		
(i) Trade Receivables	304.66	298.97
(ii) Cash & Cash Equivalents	13.60	9.08
(iii) Bank Balances other than (iii) above	0.36	4.25
(iv) Loans	286.50	286.53
(v) Other Financial Assets	6.32	6.36
(c) Other Current Assets	13.60	26.54
Total Current Assets	**625.04**	**631.74**
Total Assets	**799.47**	**795.76**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	22.53	22.53
(b) Other Equity	(2.29)	(0.81)
Equity Attributable to Shareholders of the Company	**20.24**	**21.72**
Non-Controlling Interest	-	-
Total Equity	**20.24**	**21.72**
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	30.78	30.78
(ii) Other Financial Liabilities	87.35	77.97
(b) Provisions	0.58	0.58
Total Non Current Liabilities	**118.71**	**109.33**
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	467.53	467.53
(ii) Trade Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors othere than micro enterprises and small enterprises	65.55	73.60
(iii) Other Financial Liabilities	119.09	116.12
(b) Other Current Liabilities	7.90	7.05
(c) Provisions	0.45	0.41
Total Current Liabilities	**660.52**	**664.71**
Total Equity & Liabilities	**799.47**	**795.76**

BAGARIA & CO. LLP CHARTERED ACCOUNTANTS

VALECHA ENGINEERING LTD. MUMBAI

VALECHA ENGINEERING LIMITED

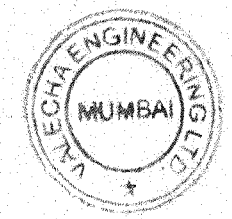
Standalone Statement of Cash Flow for the Half year ended September 30, 2023

(Rupees in Crores)

Particulars	Half Year Ended September 30, 2023 (Unaudited)	Half Year Ended September 30, 2022 (Unaudited)
A. Cash flow from Operating activities		
Profit Before Tax	**(1.46)**	**(1.99)**
Add / (Deduct) Adjustment for :		
Depreciation and Amortization Expense	0.24	0.26
Finance Cost	0.17	0.10
Interest Income	(0.35)	(0.82)
Re-measurement of defined benefit plans	(0.02)	(0.02)
Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	-	1.94
Rental Income from Investment Properties	-	(0.40)
Operating Profit/ (Loss) before Working Capital changes	**(1.42)**	**(0.93)**
Changes in Working Capital:		
Adjustment for (increase) / decrease in operating assets:		
Decrease in Inventories	0.01	0.03
(Increase)/ Decrease in Trade Receivable	(5.69)	(1.68)
(Increase) / Decrease Loans	0.02	(1.99)
(Increase)/ Decrease in other current assets and non-current financial assets	6.97	10.44
Adjustment for (increase) / decrease in operating liabilities:		
Increase/ (Decrease) in Trade Payables	(8.05)	(3.98)
Increase/(Decrease) in other current and financial liabilities (non-current)	13.20	(7.36)
Increase/ (Decrease) in Provisions	0.04	0.04
Cash Generated From / (used in) Operations	**5.08**	**(5.43)**
Direct Taxes (Paid)	(0.73)	2.52
Net Cash Flow from operating activities (A)	**4.35**	**(2.91)**
B. Cash Flow from investing activities		
Capital Expenditure for Property, Plant and Equipments, Right of use assets, Investments Property, Intangible Assets including CWIP	(0.02)	(0.01)
Investments in subsidiaries	-	(0.03)
Interest received	0.35	0.82
Rental Income from investment property	-	0.40
Net Cash flow from investing activities (B)	**0.33**	**1.18**
C. Cash flow from financing activities		
Finance Cost	(0.17)	(0.10)
Net Cash flow used in financing activities (C)	**(0.17)**	**(0.10)**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	**4.51**	**(1.83)**
Cash and Cash Equivalent at the beginning of the period	9.09	5.60
Cash and Cash Equivalent at the end of the period	**13.60**	**3.77**
Note: Figures in brackets represents cash outflow		







VALECHA ENGINEERING LIMITED

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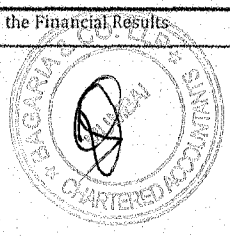
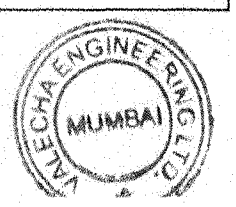
Email : ho@valecha.in Website : valechaeng.com

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2023

Sr. No.	PARTICULARS	Consolidated					
		For the quarter ended on			For Half Year ended on		For the year ended on
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	(a) Revenue from Operations	26.19	15.92	32.70	42.11	52.00	113.69
	(b) Other Income	0.14	0.23	0.70	0.37	1.54	3.62
	Total Income	**26.33**	**16.15**	**33.40**	**42.48**	**53.54**	**117.31**
2	**Expenses**						
	a. Construction Expenses	18.78	12.77	27.52	31.55	40.46	101.27
	b. Changes in inventories	0.01	-	-	0.01	0.02	0.02
	c. Employees Benefits Expense	0.77	1.00	1.38	1.77	3.10	6.35
	d. Finance costs	48.84	48.55	52.68	97.39	86.54	173.63
	e. Depreciation and amortization Expenses	1.86	1.87	6.01	3.73	12.01	22.34
	f. Other Expenses	2.18	1.16	3.22	3.34	5.66	11.28
	Total Expenses	**72.44**	**65.35**	**90.81**	**137.79**	**147.79**	**314.89**
3	**Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)**	**(46.11)**	**(49.20)**	**(57.41)**	**(95.31)**	**(94.25)**	**(197.58)**
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-	-	-
5	**Profit / (Loss) before Exceptional Items and tax (3+4)**	**(46.11)**	**(49.20)**	**(57.41)**	**(95.31)**	**(94.25)**	**(197.58)**
6	Exceptional Items	-	-	-	-	-	287.39
7	**Profit / (Loss) before tax (5-6)**	**(46.11)**	**(49.20)**	**(57.41)**	**(95.31)**	**(94.25)**	**(484.97)**
8	Tax Expense						
	(a) Current Tax (including earlier year taxation)	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
9	**Profit / (Loss) for the Period (7-8)**	**(46.11)**	**(49.20)**	**(57.41)**	**(95.31)**	**(94.25)**	**(484.97)**
10	Other Comprehensive Income (OCI)						
	(a) i. Items that will not be reclassified to profit or loss	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)
	ii. Income tax relating to items that will not be reclassified to profit or loss						
	(b) i. Item that will be reclassified to profit or loss	-	-	0.92	-	1.94	-
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	**(0.01)**	**(0.01)**	**0.91**	**(0.02)**	**1.92**	**(0.01)**
11	**Total Comprehensive Income for the period (9+10)**	**(46.12)**	**(49.21)**	**(56.50)**	**(95.33)**	**(92.33)**	**(484.98)**
12	**Net Profit/(Loss) attributable to :**						
	Shareholders of the Company	(27.58)	(30.61)	(35.26)	(58.19)	(57.77)	(268.51)
	Non-Controlling interest	(18.54)	(18.58)	(22.15)	(37.12)	(36.48)	(216.46)
13	**Other Comprehensive Income attributable to :**						
	Shareholders of the Company	(0.01)	(0.01)	0.91	(0.02)	1.92	(0.01)
	Non-Controlling interest	-	-	-	-	-	-
14	**Total Comprehensive Income attributable to :**						
	Shareholders of the Company	(27.59)	(30.62)	(34.35)	(58.21)	(55.85)	(268.52)
	Non-Controlling interest	(18.54)	(18.58)	(22.15)	(37.12)	(36.48)	(216.46)
15	Paid-up Equity Share Capital (Face Value ₹ 10/-)	22.53	22.53	22.53	22.53	22.53	22.53
16	Other Equity Excluding Revaluation Reserves	-	-	-	-	-	(1,509.53)
17	Earning Per Share (of ₹ 10/- each) (not annualised):						
	(i) Basic earnings (loss) per share	(20.47)	(21.84)	(25.48)	(42.30)	(41.83)	(215.26)
	(ii) Diluted earnings (loss) per share	(20.47)	(21.84)	(25.48)	(42.30)	(41.83)	(215.26)
	See accompanying note to the Financial Results						





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CONSOLIDATED BALANCE SHEET

(₹ in Crores)

Particulars	CONSOLIDATED	
	As at 30th September 2023	As at 31st March 2023
	(Unaudited)	(Audited)
ASSETS		
Non Current Assets		
(a) Property, Plant & Equipment	2.36	2.57
(b) Right of use assets	0.09	0.11
(c) Capital Work in Progress	-	-
(d) Investment Property	1.60	1.62
(e) Goodwill on Consolidation	1.80	1.80
(f)Other Intangible Assets	20.73	24.18
(g)Intangible Assets under development	-	-
(h) Financial Assets		
(i) Investments	0.08	0.08
(ii) Loans	-	-
(iii) Other Financial Assets	90.82	80.92
(i) Deffered Tax Assets (Net)	-	-
(j) Other Non-Current Assets	38.42	37.65
Total Non Current Assets	155.90	148.93
Current Assets		
(a) Inventories	-	0.01
(b) Financial Assets	-	-
(i)Other Investments	-	-
(ii) Trade Receivables	306.10	302.90
(III) Cash & Cash Equivalents	15.65	9.67
(iv) Bank Balances other than (iii) above	0.36	4.25
(v) Loans	92.57	92.59
(vi) Other Financial Assets	6.77	6.81
(c) Other Current Assets	15.60	27.90
Total Current Assets	437.05	444.08
Total Assets	592.95	593.01
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	22.53	22.53
(b) Other Equity	(1,029.60)	(971.39)
Equity Attributable to Shareholders of the Company	(1,007.07)	(948.86)
Non-Controlling Interest	(575.26)	(538.14)
Total Equity	(1,582.33)	(1,487.00)
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	52.59	51.21
(ii) Other Financial Liabilities	46.31	36.93
(b) Provisions	0.58	0.58
(c) Deffered Tax Liabilities (Net)	3.77	3.77
(d) Other Non-Current Liabilities	33.91	35.46
Total Non Current Liabilities	137.16	127.95
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	988.24	990.44
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises; and	-	-
- Total outstanding dues of creditors othere than micro enterprises and small enterprises	56.27	64.15
(iii) Other Financial Liabilities	984.95	889.54
(b) Other Current Liabilities	8.21	7.52
(c) Provisions	0.45	0.41
Total Current Liabilities	2,038.12	1,952.06
Total Equity & Liabilities	592.95	593.01

VALECHA ENGINEERING LIMITED

Consolidated Statement of Cash Flow For the Half Year Ended September 30, 2023

(Rupees in Crores)

Particulars	Half Year Ended September 30, 2023 (Unaudited)	Half Year Ended September 30, 2022 (Unaudited)
A. Cash flow from Operating activities		
Profit/ (Loss) Before Tax	**(95.31)**	**(94.25)**
Add / (Deduct) Adjustment for :		
Depreciation and Amortization Expense	3.73	12.01
Finance Cost	97.39	86.54
Interest Income	(0.35)	(0.82)
Re-measurement of defined benefit plans	(0.02)	(0.02)
Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	-	1.94
Rental Income from Investment Properties	-	(0.40)
Operating Profit/ (Loss) before Working Capital changes	**5.44**	**5.00**
Changes in Working Capital:		
Adjustment for (increase) / decrease in operating assets:		
Decrease in Inventories	0.01	0.03
(Increase)/ Decrease in Trade Receivable	(3.20)	(0.33)
(Increase) / Decrease Loans	0.02	(1.98)
(Increase)/ Decrease in other current assets and non-current financial assets	6.33	10.42
Adjustment for (increase) / decrease in operating liabilities:		
Increase/ (Decrease) in Trade Payables	(7.88)	(3.78)
Increase/(Decrease) in other current and financial liabilities (non-current)	103.96	81.86
Increase/ (Decrease) in Provisions	0.04	0.04
Cash Generated From / (used in) Operations	**104.70**	**91.25**
Direct Taxes (Paid)	(0.78)	2.42
Net Cash Flow from operating activities (A)	**103.93**	**93.66**
B. Cash Flow from investing activities		
Capital Expenditure for Property, Plant and Equipments, Investments Property, Intangible Assets including CWIP	(0.02)	(7.85)
Interest received	0.35	0.82
Rental Income from investment property	-	0.40
Net Cash flow from investing activities (B)	**0.33**	**(6.63)**
C. Cash flow from financing activities		
Repayment of Debenture		
Proceeds from/ (Repayment) of long term borrowings	1.38	(11.91)
Net increase / (Decrease) in Working Capital borrowings	(2.21)	9.75
Finance Cost	(97.39)	(86.54)
Dividend and Tax on dividend paid		
Net Cash flow used in financing activities (C)	**(98.22)**	**(88.70)**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	**6.03**	**(1.66)**
Cash and Cash Equivalent at the beginning of the period	9.62	7.38
Cash and Cash Equivalent at the end of the period	15.65	5.72

Note: Figures in brackets represents cash outflow

Notes to the unaudited Standalone and Consolidated Statements of Financial Results for the quarter and half year ended September 30, 2023:

1. This result has been prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.

2. The Company is engaged in "Construction Activity" and there are no other reportable segments under Ind AS 108 "Operating Segments".

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

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

4. The above unaudited financial results were prepared by the management of the Company and RP took the same on record basis. The Statutory Auditors have carried out the Limited Review of the Financial Results for the quarter and half year ended September 30, 2023 vide their report dated November 10, 2023.

5. With respect to the financial results for the quarter and half year ended September 30, 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 limited review of the unaudited financial results and while signing this statement of unaudited financial results, has relied upon the assistance provided by the Key Managerial Personnel ("KMP") of the Corporate Debtor, and representations and statements made by the KMP of the Corporate Debtor, in relation to these unaudited financial results. The statement of unaudited financial results of the Corporate Debtor for the quarter and half year ended September 30, 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 unaudited financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the unaudited financial results.

6. Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench has passed an order dated 09th October 2023 for initiation of the Corporate Insolvency Resolution Process ("CIRP") in respect of Valecha Kachchh Toll

Roads Limited, a subsidiary of the Company, under the provisions of the Insolvency and Bankruptcy Code, 2016 and appointed Interim Resolution Professional ("IRP") to carry out the functions as mentioned under I & B Code for initiation of CIRP.

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 initiation of CIRP against VKTRL 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 is likely to be approved and implemented.

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

8. The Holding Company has also not evaluated impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" in relation to investments made for Rs.2.19 crores in four subsidiary companies, loans and advances given of Rs.180.45 crores to four subsidiary companies and one step-down subsidiary company.

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

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

9. The Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 304.66 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. 26.08 crores and advances to suppliers amounting to Rs.33.29 crores as at September 30, 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 is likely to be approved.

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

    Presently, the Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on September 30, 2023.

11. The Company has an outstanding principal liability of Rs. 22.94 crores as at September 30, 2023 payable to public fixed deposit holders. In view of the already weak financial position of the Company, the Company has not provided any further interest on these outstanding overdue deposits. Further, there has been NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and NCLAT order dated 12.02.2020 in the matter.

12. Other Non Current Assets as at September 30, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments.

13. The Company has many project sites which have either been de-mobilized or completed or otherwise shut / non-operational. The Company could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter ended September 30, 2023. Such Project Sites comprises total assets of Rs. 84.36 crores [including Trade Receivables Rs. 70.46 crores and loans to other parties Rs. 5.54 crores referred in point 9 above, balances with revenue authorities of Rs. 8.33 crores referred in point 12 above] and total liabilities of Rs. 26.70 crores as at September 30, 2023.

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

15. The accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations, and adjustments.

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

    In certain instances, the amount of the claim admitted by RP under CIRP differ from the amount reflecting in the books of accounts of the Company. The above unaudited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on September 30, 2023.

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

    a) Valecha Reality Limited (VRL)

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

VALECHA ENGINEERING LTD. MUMBAI

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

b) Valecha Kachchh Toll Roads Limited (VKTRL)

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

Mr. Avil Jerome Menezes, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IPP00017/2016-17/10041] has been appointed as Interim Resolution Professional (IRP), to carry out the functions as mentioned under Insolvency & Bankruptcy Code, 2016 for running of CIRP of the Company.

The accumulated losses incurred in the past years have resulted in erosion of VKTRL's peak Net worth. However, in view of the fact that CIRP has been initiated against VKTRL and as per provisions of IBC, 2016, the company is to be kept as a going concern, and hence unaudited financial results are prepared assuming that it will continue as a going concern.

Also it has continued to default in repayment of its financial obligation including interest. VKTRL has 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.

18. Consolidated results for the quarter and half year ended September 30,2023 includes results of following Subsidiaries:

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

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

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

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

For VALECHA ENGINEERING LIMITED

Anurag Kumar Sinha

Resolution Professional of Valecha Engineering Limited
IBBI/IPA-001/IP-P00427/2017-18/10750

For VALECHA ENGINEERING LIMITED

Tarun Dutta
Chief Executive Officer

Anil Korpe
Chief Financial Officer

DATE: November 10, 2023

PLACE: MUMBAI

BAGARIA & CO LLP
Chartered Accountants

701, Stanford,
Junction of S. V. Road,
& Barfiwala Marg, Andheri (W)
Mumbai 400058, INDIA

+91 (22) 62505600

LIMITED REVIEW REPORT

To The Resolution Professional ("RP")
Valecha Engineering Limited

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

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

3. We have reviewed the unaudited standalone financial results of **Valecha Engineering Limited** ('the Company') for the quarter and half year ended September 30, 2023 which are included in the accompanying 'Unaudited Standalone Statement of Financial Results for the quarter and half year ended September 30, 2023 together with the notes thereon (hereinafter referred to as the "Standalone Statement"). The Standalone Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes.

4. This Standalone Statement, which is the responsibility of the Company's Management and taken on record by the RP in their meeting held on November 10, 2023, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Standalone Statement based on our review.

5. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Standalone Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

6. i. As explained in Note No. 6 to the Standalone Statement, Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench has passed an order dated 09th October 2023 for initiation of the Corporate Insolvency Resolution Process ("CIRP") against Valecha Kachchh Toll Roads Limited (VKTRL), a subsidiary of the Company, under the provisions of the IBC and appointed Interim Resolution Professional ("IRP") to carry out the functions as mentioned under IBC for initiation of CIRP. 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 outstanding loans of Rs. 73.46 crores, Investments of Rs. 39.84 crores and Corporate guarantees provided of Rs. 990.47 Crores to VKTRL.

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

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

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

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

- Investments aggregating to Rs.2.19 crores in its four subsidiary companies ,
- Loans & advances aggregating to Rs.180.45 crores given to its four subsidiary companies and one step-down subsidiary company;
- Corporate Guarantees aggregating to Rs.168.81 crores to Banks on behalf of one Subsidiary company and one Step-down Subsidiary company.

The Company has also not done any fair valuation of its Gorporate 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 351.45 Crores.

iv. As explained in Note No. 9 to the Standalone Statement, the Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 304.66 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. 26.08 crores and advances to suppliers amounting to Rs. 33.29 crores as at September 30, 2023.

In absence of any detailed information regarding the recoverability of such loans and advances, third party confirmation/reconciliations for such trade receivables and loans and advances, we are unable to comment upon the recoverability and corresponding impact of impairment on the net results for the quarter and half year ended September 30, 2023.

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

The Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on September 30, 2023.

In absence of any further detailed information, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and half year ended September 30, 2023, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.

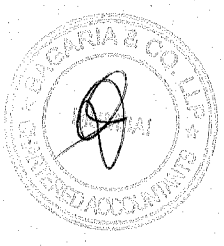
vi. As explained in Note No. 11 to the Standalone Statement, the Company has an outstanding principal liability of Rs. 22.94 crores as at September 30, 2023 payable to public fixed deposit holders. In view of its already weak financial position, the Company has not made any provision of interest on these outstanding fixed deposits.

In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the net results for the quarter and half year ended September 30, 2023.

vii. As explained in Note No. 12 to the Standalone Statement, Other Non-Current Assets as at September 30, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. However, in view of unavailability of information on status of such assessments or status of recoverability, we are unable to comment upon the resultant impact, if any on net results for the quarter and half year ended September 30, 2023.

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

viii. As explained in Note No. 13 to the Standalone Statement, the Company has many project sites, which have either been de-mobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through



such project sites. There have been no operations in such project sites during the quarter and half year ended September 30, 2023.

Such Project Sites comprises total assets of Rs. 84.36 crores [including Trade Receivables Rs. 70.46 crores and loans to other parties Rs. 5.54 crores referred in point 6.ii above, balances with revenue authorities of Rs. 8.33 crores referred in point 6.v above] and total liabilities of Rs. 26.70 crores as at September 30, 2023. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter and half year ended September 30, 2023 had the said units been reviewed by us.

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

In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the net results for the quarter and half year ended September 30, 2023.

x. As explained in Note no 15 to the Standalone Statement, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the net results for the quarter and half year ended September 30, 2023 the amounts whereof are presently not ascertainable.

xi. There are various Legal Cases filed by / against the Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the net results for the quarter and half year ended September 30, 2023 the amounts whereof are presently not ascertainable.

The matters stated above were also subject matter of qualification in our review conclusion on the unaudited standalone financial results for the quarter ended June 30, 2023, for the quarter and half year ended September 30, 2022. The matters stated above except point (i) were also subject matter of qualification in our audit opinion on the audited standalone financial statement for the year ended March 31, 2023.

Based on our review conducted above, except for the effects/possible effects of the matters described in paragraph 6, nothing has come to our attention that causes us to believe that the accompanying Standalone Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the Ind AS 34 prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

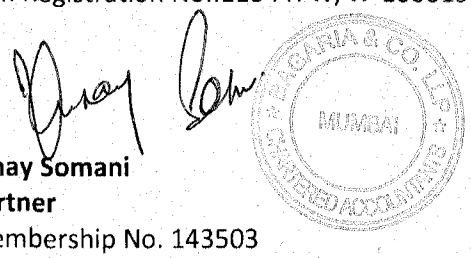
7. **Material Uncertainty Related to Going Concern:**

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

financial results of the Company have been prepared on a going concern basis for the reasons stated in Note No. 16 to the Standalone Statement.

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

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



Vinay Somani
Partner
Membership No. 143503
UDIN: 23143503BGWEUS4067

Place: Mumbai
Date: November 10, 2023

BAGARIA & CO LLP
Chartered Accountants

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LIMITED REVIEW REPORT

To The Resolution Professional(RP)
Valecha Engineering Limited

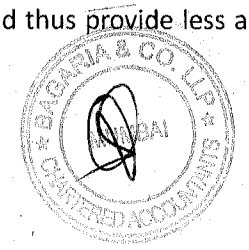
1. The Honourable National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by a Financial Creditor under Section 7 of Insolvency & Bankruptcy Code, 2016 ("IBC") against Valecha Engineering Limited ("the Company") vide its order dated 21.10.2022 and appointed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

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

3. We have reviewed the unaudited consolidated financial results of **Valecha Engineering Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries and associates (the Holding Company, its subsidiaries and its associates together referred to as "the Group") for the quarter and half year ended September 30, 2023 which are included in the accompanying 'Unaudited Consolidated Statement of Financial Results for the quarter and half year ended September 30, 2023 together with the notes thereon (herein after referred to as the "Consolidated Statement"). The Consolidated Statement is being submitted by the Holding Company pursuant to the requirements of Regulations 33 of the SEBI (Listing, Obligations and Disclosure requirements) Regulations, 2015 ('Listing regulations'), which has been initialed by us for identification purposes.

4. This Consolidated Statement, which is the responsibility of the Company's Management and taken on record by the RP in their meeting held on November 10, 2023, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (IND AS "34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Statement based on our review.

5. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. Accordingly, we do not express an audit opinion.



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

7. The Statement includes the results of the following entities:

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

The Statement does not include the result of following Company:

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

8. i. As explained in Note No. 6 to the Consolidated Statement, Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench has passed an order dated 09th October 2023 for initiation of the Corporate Insolvency Resolution Process ("CIRP") in respect of (VKTRL), a subsidiary of the Company, under the provisions of the IBC and appointed Interim Resolution Professional ("IRP") to carry out the functions as mentioned under IBC for initiation of CIRP. The Holding Company has not made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect Corporate guarantees provided of Rs. 990.47 Crores.

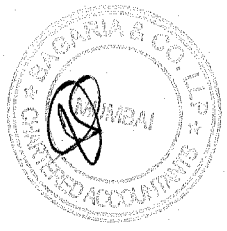
Had the Holding Company made provision towards impairment of such Corporate Guarantees to VKTRL, the Net Loss of the Company would have increased by Rs 990.47 Crores.

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

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

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

iii. The Consolidated financial results include goodwill arising on consolidation amounting to Rs. 1.80 Crores which has not been tested for impairment inspite of the losses and sub-optimal operations of the Group. In the absence of any further detailed information, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and half year ended September 30, 2023 which may arise on account of non-provision of impairment on goodwill as referred above.



iv. As explained in Note No. 9 to the Consolidated Statement, the Holding Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 304.66 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. 26.08 crores and advances to suppliers amounting to Rs 33.29 crores as at September 30, 2023.

In absence of any detailed information regarding the recoverability of such loans and advances, third party confirmation/reconciliations for such trade receivables and loans and advances, we are unable to comment upon the recoverability and corresponding impact of impairment on the net results for the quarter and half year ended September 30, 2023.

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

The Holding Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on September 30, 2023.

In absence of any further detailed information, we are unable to comment upon the resultant impact, if any, on the net results for the quarter and half year ended September 30, 2023 which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.

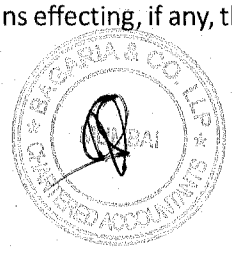
vi. As explained in Note No. 11 to the Consolidated Statement, the Holding Company has an outstanding principal liability of Rs. 22.94 crores as at September 30, 2023 payable to public fixed deposit holders. In view of its already weak financial position, the Holding Company has not made any provision of interest on these outstanding fixed deposits.

In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the net results for the quarter and half year ended September 30, 2023.

vii. As explained in Note No. 12 to the Consolidated Statement, Other Non-Current Assets as at September 30, 2023 includes Rs 31.35 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. However, in view of unavailability of information on status of such assessments or status of recoverability, we are unable to comment upon the resultant impact, if any on net results for the quarter and half year ended September 30, 2023.

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

viii. As explained in Note No. 13 to the Consolidated Statement, the Holding Company has many project sites, which have either been de-mobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated



through such project sites. There have been no operations in such project sites during the quarter and half year ended September 30, 2023. Movement in accounts of such project sites, if any, is on account of balances being written off and/or written back and payments and/or receipts being identified and/or made by the Head Office division in relation to assets and liabilities of such project sites.

Such Project Sites comprises total assets of Rs. 84.36 crores [including Trade Receivables Rs. 70.46 crores and loans to other parties Rs. 5.54 crores referred in point iv above, balances with revenue authorities of Rs. 8.33 crores referred in point vii above] and total liabilities of Rs. 26.70 crores as at September 30, 2023. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter and half year ended September 30, 2023 had the said units been reviewed by us.

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

In absence of such bank accounts details, we are unable to comment on the resultant impact if any on the net results for the quarter and half year ended September 30, 2023.

x. As explained in Note no 15 to the Consolidated Statement, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the net results for the quarter and half year ended September 30, 2023, the amounts whereof are presently not ascertainable.

xi. There are various Legal Cases filed by / against the Holding Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the net results for the quarter and half year ended September 30, 2023, the amounts whereof are presently not ascertainable.

xii. As explained in Note No 17(a) to the Consolidated Statement, Valecha Reality Limited (VRL), (an Associate Company) has given a loan amounting to Rs. 6.51 crores to M/s SVK Arcade LLP which is long outstanding in the Books of Accounts. VRL is not recognizing and receiving any interest on such loans neither has it made any provision for the loan amount outstanding. Further, the Company VRL has received loans from Valecha Engineering Limited and Valecha Infrastructure Limited to the tune of Rs 0.28 crores and Rs. 6.52 crores respectively. Valecha Engineering Limited has not recovered any interest in view of already weak financial position of VRL. Similarly, VIL has also not recovered any interest amount from VRL in view of already weak financial position of VRL.

The matters stated above were also subject matter of qualification in our review conclusion on the unaudited consolidated financial results for the quarter ended June 30, 2023, for the quarter and half year ended September 30, 2022. The matters stated above except point (i) were also subject matter of qualification in our audit opinion on the audited consolidated financial statement for the year ended March 31, 2023.

9. Material Uncertainty Related to Going Concern:

We draw attention to Note No. 10 & Note No. 16 to the Consolidated Statement which indicates that the Holding Company has accumulated losses and its net worth has been substantially eroded and there has been defaults in repayment of various borrowings and deposits. These conditions, along with the

commencement of CIRP proceedings as set forth in Note No. 3, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, the Consolidated financial results of the Company have been prepared on a going concern basis for the reasons stated in Note No.16 to the Consolidated Statement

We draw attention to Note no 17(b) to the Statement in respect of Valecha Kachchh Toll Roads Limited (VKTRL) (a Subsidiary Company) wherein the other auditors had stated in their review report that:

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

  Mr. Avil Jerome Menezes, a Registered Insolvency Professional having Registration Number [IBBI/IPA-001/IPP00017/2016-17/10041] has been appointed as Interim Resolution Professional (IRP), to carry out the functions as mentioned under IBC for running of CIRP of the Company.

  The accumulated losses incurred in the past years have resulted in erosion of VKTRL's peak Net worth. However, in view of the fact that CIRP has been initiated against VKTRL and as per provisions of IBC, 2016, the company is to be kept as a going concern, and hence unaudited financial results are prepared assuming that it will continue as a going concern.

  Also it has continued to default in repayment of its financial obligation including interest. VKTRL has 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.

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

10. Other Matters:

i. We did not review the financial results of three subsidiaries (including one step down subsidiary) included in the consolidated unaudited financial results whose financial statements reflect total assets of Rs. 124.13 Crores, total revenue of Rs. 5.75 crores and Rs 9.15 crores for the quarter and half year ended September 30, 2023, total comprehensive loss of Rs. 46.40 crores and Rs 93.85 crores for the quarter and half year ended September 30, 2023. These financial results have been reviewed by other auditor whose reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated above.

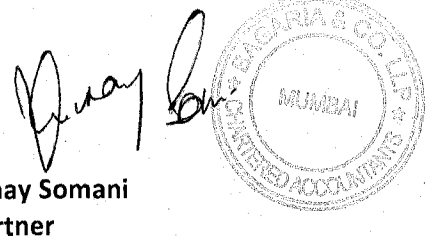
ii. We did not review the financial information of two subsidiary company included in the consolidated unaudited financial results whose financial information reflect total assets of Rs. 6.54 Crores, total

revenue of Rs. NIL for the quarter and half year ended September 30, 2023 and total comprehensive loss of Rs. NIL for the quarter and half year ended September 30, 2023. This financial information has not been reviewed by their auditor but have been certified by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said subsidiaries, is based solely on such Management certified financial information and the procedures performed by us as stated.

iii. We have relied on the unaudited financial information furnished by the Holding Company's management with respect to one subsidiary included in the consolidated financial results whose financial information reflect total assets of Rs. 24.25 Crores, total revenue of Rs. NIL for the quarter and half year ended September 30, 2023 and total comprehensive loss of Rs. NIL for the quarter and half year ended September 30, 2023. The unaudited financial information of the company have been furnished to us by the Holding Company's management based on provisional financial accounts and information available with the Holding Company and are not approved by the Management of the respective Company. Our opinion on the financial results, in so far as relates to the amount and disclosures included in respect of these subsidiary is based solely on such unaudited financial information.

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

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



Vinay Somani
Partner
Membership No. 143503
UDIN: 23143503BGWEUT7272

Place: Mumbai
Date: November 10, 2023