



VALECHA ENGINEERING LIMITED

(AN ISO 9001 - 2015 COMPANY)

VALECHA
REDEFINING INFRASTRUCTURE

Ref: VEL/2022-23

27th August, 2022

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 Saturday, 27th August, 2022

Ref: Our Letter No. VEL/22-23 dated 18th August, 2022

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. **Saturday, 27th August, 2022** has inter-alia considered and approved/taken on record the following:

1. Unaudited Financial Results (Standalone and Consolidated) of the Company, for the **Quarters ended 30th June, 2021, 30th September, 2021 and 31st December, 2021** along with the Limited Review Reports of the Auditors of the Company.
2. Convening of the 45th Annual General Meeting of the Company to be held on **Wednesday, 28th September, 2022 at 9.30 A.M.** at Valecha Chambers, 4th Floor, Plot No. B-6, New Link Road, Andheri (W), Mumbai 400053.
3. Mr. Tejas Deshpande resigned as a Non-Executive & Independent Director and the Board accepted the same.
4. Ms. Swati Jain, Qualified Company Secretary having 7 years' experience in Company Law and Corporate laws has been appointed as an Additional, Non-Executive & Independent Director with effect from **27.08.2022**.
5. Consequent upon the resignation of Mr. Tejas Deshpande as Non-Executive & Independent Director Mrs. Lalna B. Takekar Non-Executive Director has been appointed as Chairperson of the Audit Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee.

The meeting commenced at **11:00 A.M.** the concluded at 10.45 P.M.

We request you to kindly take the above on record.

Thanking You,

Yours Faithfully,

For VALECHA ENGINEERING LIMITED


(VIJAYKUMAR MODI)

COMPANY SECRETARY & LEGAL

VALECHA ENGINEERING LIMITED



(An ISO 9001:2015 Company) CIN : L74210MH1977PLC019535

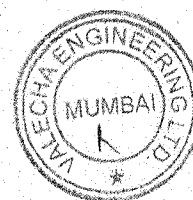
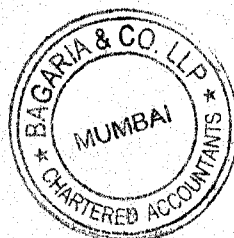
Regd. Office : Valecha Chambers, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

(₹ in Crores) Except EPS

Sr. No.	PARTICULARS	Standalone			
		For the quarter ended on			For the year ended on
		30.06.2021 (Unaudited)	31.03.2021 (Audited)	30.06.2020 (Unaudited)	31.03.2021 (Audited)
1	Income				
	(a) Revenue from Operations	66.07	132.85	13.61	218.63
	(b) Other Income	0.86	1.05	1.21	5.32
	Total Income	66.93	133.90	14.82	223.95
2	Expenses				
	a. Construction Expenses	63.58	107.48	13.24	187.84
	b. Changes in inventories	0.74	(0.71)	0.34	(0.61)
	c. Employees Benefits Expense	1.35	1.82	1.07	5.32
	d. Finance costs	0.03	0.71	0.01	0.76
	e. Depreciation and amortization Expenses	0.09	0.09	0.41	1.32
	f. Other Expenses	0.45	20.04	0.48	22.34
	Total Expenses	66.24	129.43	15.56	216.97
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	0.69	4.47	(0.74)	6.98
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-
5	Profit / (Loss) before Exceptional Items and tax (3+4)	0.69	4.47	(0.74)	6.98
6	Exceptional Items	-	5.86	-	5.86
7	Profit / (Loss) before tax (5-6)	0.69	(1.39)	(0.74)	1.12
8	Tax Expense				
	(a) Current Tax (Including earlier year taxation)	-	-	(0.04)	(0.42)
	(b) Deferred tax	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	0.69	(1.39)	(0.70)	1.54
10	Other Comprehensive Income (OCI)				
	(a) i. Items that will not be reclassified to profit or loss	(0.01)	0.25	(0.05)	0.10
	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	0.31	0.08	0.15	(0.48)
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income	0.30	0.33	0.10	(0.38)
11	Total Comprehensive Income for the period (9+10)	0.99	(1.06)	(0.60)	1.16
12	Net Profit/(Loss) attributable to :				
	Shareholders of the Company	-	-	-	-
	Non-Controlling interest	-	-	-	-
13	Other Comprehensive Income attributable to :				
	Shareholders of the Company	-	-	-	-
	Non-Controlling interest	-	-	-	-
14	Total Comprehensive Income attributable to :				
	Shareholders of the Company	-	-	-	-
	Non-Controlling interest	-	-	-	-
15	Paid-up Equity Share Capital (Face Value ₹ 10/-)	22.53	22.53	22.53	22.53
16	Other Equity Excluding Revaluation Reserves				13.64
17	Earning Per Share (of ₹ 10/- each) (not annualised):				
	(i) Basic earnings (loss) per share	0.31	(0.62)	(0.31)	0.68
	(ii) Diluted earnings (loss) per share	0.31	(0.62)	(0.31)	0.68
	See accompanying note to the Financial Results				



Handwritten signature

VALECHA ENGINEERING LIMITED



(An ISO 9001:2015 Company) CIN : L74210MH1977PLC019535

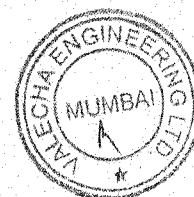
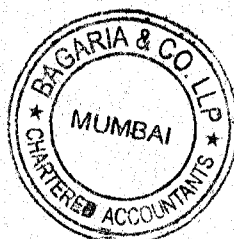
Regd. Office : Valecha Chambers, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

(₹ in Crores) Except EPS

Sr. No.	PARTICULARS	Consolidated			
		For the quarter ended on			For the year ended on
		30.06.2021 (Unaudited)	31.03.2021 (Audited)	30.06.2020 (Unaudited)	31.03.2021 (Audited)
1	Income				
	(a) Revenue from Operations	68.57	136.35	19.63	232.02
	(b) Other Income	0.92	1.06	1.29	5.33
	Total Income	69.49	137.41	20.92	237.35
2	Expenses				
	a. Construction Expenses	63.58	107.45	13.10	187.81
	b. Changes in inventories	0.74	(0.71)	0.34	(0.61)
	c. Employees Benefits Expense	1.52	1.97	1.46	5.91
	d. Finance costs	34.60	34.43	44.46	138.99
	e. Depreciation and amortization Expenses	5.94	5.95	9.10	24.75
	f. Other Expenses	3.27	22.05	9.20	30.24
	Total Expenses	109.85	171.14	77.66	387.09
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	(40.36)	(33.73)	(56.74)	(149.74)
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	(0.00)
5	Profit / (Loss) before Exceptional Items and tax (3+4)	(40.36)	(33.73)	(56.74)	(149.74)
6	Exceptional Items	-	50.57	-	(93.14)
7	Profit / (Loss) before tax (5-6)	(40.36)	(84.30)	(56.74)	(56.60)
8	Tax Expense				
	(a) Current Tax (Including earlier year taxation)	-	-	(0.04)	(0.42)
	(b) Deferred tax	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	(40.36)	(84.30)	(56.70)	(56.18)
10	Other Comprehensive Income (OCI)				
	(a) i. Items that will not be reclassified to profit or loss	(0.01)	0.25	(0.05)	0.10
	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	0.31	0.08	0.15	(0.48)
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income	0.30	0.33	0.10	(0.38)
11	Total Comprehensive Income for the period (9+10)	(40.06)	(83.97)	(56.60)	(56.56)
12	Net Profit/(Loss) attributable to :				
	Shareholders of the Company	(25.81)	(70.90)	(39.70)	(2.99)
	Non-Controlling interest	(14.54)	(13.41)	(17.00)	(53.20)
13	Other Comprehensive Income attributable to :				
	Shareholders of the Company	0.30	0.33	0.10	(0.38)
	Non-Controlling interest	-	-	-	-
14	Total Comprehensive Income attributable to :				
	Shareholders of the Company	(25.51)	(70.57)	(39.60)	(3.37)
	Non-Controlling interest	(14.54)	(13.41)	(17.00)	(53.20)
15	Paid-up Equity Share Capital (Face Value ₹ 10/-)	22.53	22.53	22.53	22.53
16	Other Equity Excluding Revaluation Reserves	-	-	-	(855.28)
17	Earning Per Share (of ₹ 10/- each) (not annualised):				
	(i) Basic earnings (loss) per share	(17.91)	(37.42)	(25.17)	(24.94)
	(ii) Diluted earnings (loss) per share	(17.91)	(37.42)	(25.17)	(24.94)
	See accompanying note to the Financial Results				



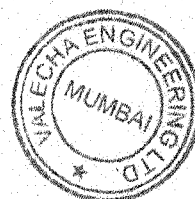
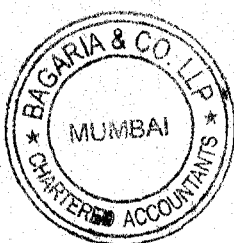
Atulya

Notes to the Unaudited Standalone and Consolidated Statements of Financial Results for the quarter ended June 30, 2021:

1. The above Unaudited Financial Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Holding Company at the meeting held on August 27, 2022.
2. This result has been prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.
3. The Company is engaged in "Construction Activity" and there are no other reportable segments under Ind AS 108 "Operating Segments".
4. During the quarter ended March 31, 2021, the Company's appeals against the winding up orders dated 01.03.2018 and 26.04.2018 passed by the Hon'ble High Court were dismissed by the Hon'ble High Court vide orders dated 05.03.2021 and 09.03.2021. Pursuant to the dismissal of the said Appeals the Company preferred a Special Leave Petition bearing No. SLP (Civil) Diary No.71031 of 2021 before the Hon'ble Supreme Court, which eventually was also dismissed by the Hon'ble Supreme Court vide Order dated 30.04.2021. However, the said order dated 30.04.2021 also granted liberty to the Company to present a formal petition/application and present a scheme of settlement. One of the shareholders of the Company, Valecha Investments Private Limited, holding 17.77% of the total equity shares, propounded a scheme of arrangement / compromise in pursuance of the liberty granted by the Supreme Court of India. They also filed Company Summons for Directions (L) No. 25113 of 2021 seeking appropriate orders to call for meetings of stakeholders to vote on the scheme. The Company's Lead Banker State Bank of India moved an application to transfer the matter to National Company Law Tribunal (NCLT) as the Company is a construction and infrastructure development company and is a going concern. Accordingly, the Hon'ble High Court vide order dated 17.12.21 passed an order directing the transfer of the Company Petition No. 761/2015 and Company Petition No. 173/2016 to NCLT.
5. The Holding Company has not evaluated impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" in relation to investments made Rs.2.16 crores in three subsidiary companies and Rs.0.02 crore in one associate company, loans and advances given Rs.180.78 crores to three subsidiary companies and one step-down subsidiary company, and extended Corporate Guarantees aggregating to Rs.161.04 crores to its one Subsidiary company and one Step-down Subsidiary company whose net-worth is completely eroded on account of continued losses incurred in the past.

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

6. The Company has neither evaluated any impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" nor made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect of its Investment made of Rs. 39.84 crores, loan given of Rs. 73.46 crores, and Corporate Guarantees extended of Rs. 806.18 crores as at June 30,2021 in respect of its one subsidiary (other than subsidiary referred in point 5) above). The net-worth of the subsidiary is completely eroded and it continues to incur losses. The Subsidiary Company has filed a claim on its customer for Rs. 1862.03 crores and expects to realize the same and consequently repay/settle all dues. Accordingly, in the



Handwritten signature/initials.

opinion of the Management, there is no need for any impairment provisions for ECL or fair valuation in respect of its Investments, loans given and Corporate Guarantees extended to the referred subsidiary (other than those mentioned in point 5 above).

7. Valecha LM Toll Private Limited (VLMTPL), a step down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL), 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.

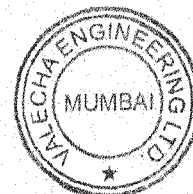
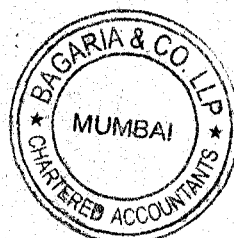
The Company has also provided Corporate Guarantees to secured financial creditors to the extent of outstanding dues of Rs. 272.84 crores on behalf of VLMTPL which have not been evaluated for impairment provisioning in view of the same not yet being invoked.

Since the Holding Company have lost ultimate control of VLMTPL, it has derecognised VLMTPL from the consolidated financial results.

8. The Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 231.62 crores which includes Rs. 100.34 crores pertaining to additional claims raised during earlier years on account of escalation and various other reasons which are under consideration and deliberation before various authorities. The Company has booked their claims on conservative basis and management believe that they have strong case for each of the claims lodged against the client. Accordingly, in the opinion of the Management, there is no need to account for expected credit losses. The Company has not evaluated impairment provisions for expected credit losses as required under Ind AS 109 "Financial Instruments" for loans extended to various related parties (other than subsidiaries, step down subsidiaries and associate company) amounting to Rs. 6.78 crores, loans given to other than related parties amounting to Rs. 121.20 crores and advances to suppliers amounting to Rs.34.22 crores as at June 30, 2021 as it expects to recover the same in the time to come and hence has not made any provision for the same.
9. The Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification. In view of the Settlement / restructuring of its overall debt being pursued by the Management, it expects reliefs and concessions from various lenders out of the existing liabilities / obligations towards such lenders recorded in its books and has accordingly not provided for any interest liability post March 31, 2018.

Presently, the Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source as on June 30, 2021 and on outstanding payments to its Vendors registered under MSME.

10. The Company has an outstanding principal liability of Rs. 22.94 crores as at June 30, 2021 payable to public fixed deposit holders. In view of the already weak financial position of the Company, the Company has not provided any further interest on these outstanding overdue deposits. Pursuant to the NCLT order dated 03.04.2019, 11.06.2019, 22.08.2019, 14.11.2019, 26.05.2020 and in terms of NCLAT order dated 12.02.2020 the matter has since been subjudiced. As per these orders, the proceeds from Canara Bank and refunds from Income Tax department will be utilized for repayment of deposits to deposit holders. The Company is in the process of repayment of balance deposit holders based on the availability of proceeds from Canara Bank.
11. Other Current Assets as at June 30, 2021 includes Rs 33.25 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. The Management is in the process of recovery of such amounts.



A handwritten signature in black ink, appearing to be "B. B." or similar.

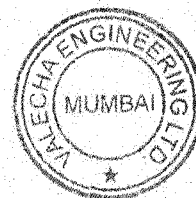
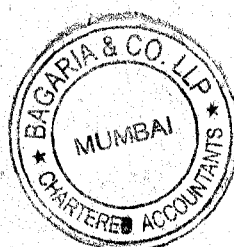
12. The Company has sixteen project sites which have either been de-mobilized or completed or otherwise shut / non-operational. The Company could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter ended June 30, 2021. Movement in accounts of such project sites, if any, is on account of balances being written off/written back and payments / receipts being made by the Head Office division in relation to assets / liabilities of such project sites. Such Project Sites comprises total assets of Rs. 83.83 crores [including Trade Receivables Rs. 69.93 crores and loans to other parties Rs. 5.51 crores referred in point 5 above, balances with revenue authorities of Rs. 8.33 crores referred in point 8 above and total liabilities of Rs. 26.70 crores as at June 30, 2021.
13. The Holding Company has certain in-operative Bank accounts, which have turned dormant on account of closure of sites, changes in signatories etc. The Holding Company is unable to obtain the statements of such inoperative and dormant bank accounts.
14. 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.
15. The accumulated losses incurred in the past years have resulted in erosion of Company's peak Net worth. However, the management is of the opinion that subject to approval of settlement proposals with secured lenders, cost reduction measures and participation in new business finance/ JV business, the Company will be able to earn profit over next few years and may be in position to repay restructured loans and pay statutory dues. Hence, the financial results are prepared assuming that it will continue as going concern.
16. On 29/09/2018, the shareholders accorded their approval for the waiver of recovery of excess managerial remuneration in respect of three Directors of the Company. The Company is taking necessary actions and steps for approval from Secured Lenders pursuant to the Notification dated 12/09/2018 issued by Ministry of Corporate Affairs on the subject. The Company is hopeful of getting requisite approval from the secured lenders upon settlement proposal approved by them.
17. The Company has during the quarter ended June 30, 2021, identified certain non-moving balances which in the view of Management, are not recoverable and / or payable. The aggregate of such non-moving non-recoverable balances is Rs.30.43 crores and aggregate of such non-moving non-payable balances is Rs.30.47 crores. These balances have been netted and a net income of Rs.0.04 crores has been recorded as " Sundry balances written back".

18. Specific notes related with Subsidiary Companies:

a) **Valecha Reality Limited (VRL)**

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

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



A handwritten signature in black ink, appearing to be "D. Patel".

b) Valecha Kachchh Toll Roads Limited (VKTRL)

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, 2021 and in previous financial years. It has also continued to default in repayment of its financial obligation including interest and the construction of balance work is going at very slow pace, resulting in increase in cost of project mainly due to interest during construction period. However, as advised, the project had been halted due to non-availability of land and environment issues and on 13.05.2015, VKTRL has received PCOD (provisional commercial operation date) of for section 1 for which revenue is being generated. PCOD for Section 2 is likely to be completed by September 2022. VKTRL has also put an enhanced claim of Rs. 1862.03 crores on GSRDC till March 2022 and is hopeful of realizing the same.

19. The Company's appeals against the winding up orders dated 01.03.2018 and 26.04.2018 passed by the Hon'ble High Court were dismissed by the Hon'ble High Court vide orders dated 05.03.2021 and 09.03.2021 and consequently the Company's operations and activities were suspended.

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 quarter ended 30th June 2021, the Company has transferred an aggregate sum of Rs.13,32,61,402 to the said related party to manage project payables for and on behalf of the Company.

Out of the above funds, Rs.12,49,21,054 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.

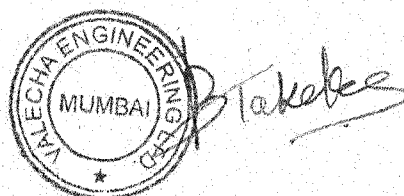
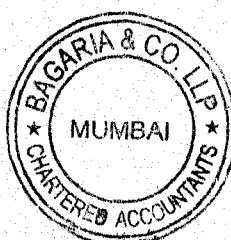
On 17.12.2021, the Bombay High Court recalled / revoked all earlier orders and thus the Company received relief from the ongoing liquidation proceedings.

20. Consolidated results for the quarter ended June 30, 2021 includes results of following Subsidiaries and Associate Companies:

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 Badwani Sendhwa Tollways Limited	Step-Down Subsidiary Company
6	Valecha Realty Limited	Associate 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.

21. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.
22. 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.

BY ORDER OF THE BOARD OF DIRECTORS
FOR VALECHA ENGINEERING LIMITED
DIRECTOR

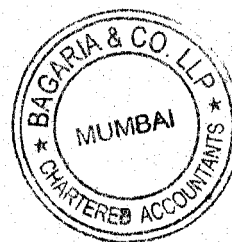
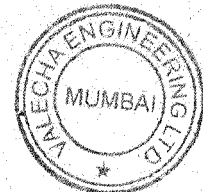


LALNA B. TAKEKAR

DIN : 08111805

DATE : AUGUST 27, 2022

PLACE : MUMBAI



LIMITED REVIEW REPORT

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

1. We have reviewed the unaudited standalone financial results of **Valecha Engineering Limited** ('the Company') for the quarter ended June 30, 2021 which are included in the accompanying 'Unaudited Standalone Statement of Financial Results for the quarter ended June 30, 2021 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.
2. This Standalone Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Standalone Statement based on our review.
3. 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.
4.
 - i. As explained in Note 5 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, Step-Down Subsidiary and Associate Companies whose net-worth is completely eroded on account of continued losses incurred in the past:
 - Investments aggregating to Rs.2.16 crores in its three subsidiary companies and Rs. 0.02 crore in one associate company;
 - Loans & advances aggregating to Rs.180.78 crores given to its three subsidiary companies and one step-down subsidiary company;
 - Corporate Guarantees aggregating to Rs.161.04 crores to Banks on behalf of one Subsidiary company and one Step-down Subsidiary company.
 - ii. The Company has also not done any fair valuation of its Corporate guarantees referred to in point 4(i) above nor has recognized guarantee fees/commission during the period in relation to such Corporate guarantees issued without consideration as per the requirements of Ind AS 109 & Ind AS 113.



In the absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued by the Company and its Subsidiaries and Step Down Subsidiaries, we are unable to comment upon the resultant impact, if any, on the net results for the quarter ended 30th June, 2021, which may arise on account of non-provision of impairment towards Investments, Loans and Corporate Guarantees and fair valuation adjustment of Corporate guarantees as referred above.

- iii. As explained in Note No. 6 to the Standalone Statement, the Company has neither evaluated any impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" nor made any fair valuation as per the requirements of Ind AS 113 "Fair Value Measurements" in respect of its Investment made of Rs. 39.84 crores, loan given of Rs. 73.46 crores and Corporate Guarantees extended of Rs. 806.18 crores as at June 30, 2021 in respect of its one subsidiary (other than subsidiary referred to in point (i) above). The net-worth of the subsidiary is completely eroded and it continues to incur losses. The Subsidiary Company has put a cumulative claim of Rs. 1862.03 crores on GSRDC (client of subsidiary) as computed till March 2022 and expects to recover such claim amount and consequently repay/settle all its dues. However, in view of the uncertainty involved over receipt of the claim amount and consequent repayment of all its dues, we are unable to comment upon the need for impairment provisions and the impact of fair valuation adjustments, if any, which may be required and the resultant impact on the net results for the quarter ended June 30, 2021, if any.
- iv. As explained in Note No. 7 to the Standalone Statement, Valecha LM Toll Private Limited (VLMTPL), a 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.

The Company has a Corporate Guarantee exposure of Rs. 272.84 crores on behalf of VLMTPL which have not been evaluated for impairment provisioning in view of the same not yet being invoked.

In the absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued for the Company and its Subsidiaries and Step-Down Subsidiaries, we are unable to comment upon the resultant impact, if any, on the net results for the quarter ended 30th June, 2021, which may arise on account of non-provision of impairment towards Corporate Guarantees as referred above.

- v. As explained in Note No. 8 to the Standalone Statement, the Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 231.62 crores which includes Rs. 100.34 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under consideration and deliberation before various authorities.

The Company has also not evaluated impairment provisions for expected credit losses as required under Ind AS 109 "Financial Instruments" for loans given to related parties (other than subsidiaries, step down subsidiaries and associate company) amounting to Rs. 6.78 crores, loans given to other than related parties amounting to Rs. 121.20 crores and advances to suppliers amounting to Rs. 34.22 crores as at June 30, 2021.

In absence of any detailed information regarding the recoverability of such loans and advances, third party confirmation/reconciliation of such trade receivables and loans and advances, we



are unable to comment upon the recoverability and corresponding impact of impairment on the net results for the quarter ended June 30, 2021.

- vi. As explained in Note No. 9 to the Standalone Statement, the Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification. In view of the proposed Settlement proposals being pursued by the Management with its lenders, the Management expects reliefs and concessions from various lenders and accordingly has not provided for any further interest liability in relation to its outstanding debts.

The Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source and on outstanding payments to Vendors registered under MSME as on June 30, 2021.

In absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued, we are unable to comment upon the resultant impact, if any, on the net results for the quarter ended June 30, 2021, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.

- vii. As explained in Note No. 10 to the Standalone Statement, the Company has an outstanding principal liability of Rs. 22.94 crores as at June 30, 2021 payable to public fixed deposit holders. In view of its already weak financial position, the Company has not made any provision of interest on these outstanding fixed deposits.

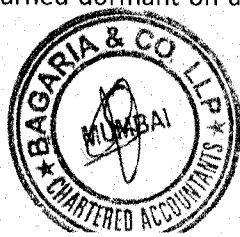
In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the net results for the quarter ended June 30, 2021.

- viii. As explained in Note No. 11 to the Standalone Statement, Other Current Assets as at June 30, 2021 includes Rs 33.25 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. However, in view of unavailability of information on status of such assessments or status of recoverability, we are unable to comment upon the resultant impact, if any on net results for the quarter ended June 30, 2021.

- ix. As explained in Note No. 12 to the Standalone Statement, the Company has sixteen project sites, which have either been de-mobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter ended June 30, 2021. Movement in accounts of such project sites, if any, is on account of balances being written off and/or written back and payments and/or receipts being identified and/or made by the Head Office division in relation to assets and liabilities of such project sites.

Such Project Sites comprises total assets of Rs. 83.83 crores [including Trade Receivables Rs. 69.93 crores and loans to other parties Rs. 5.51 crores referred in point 4.v above, balances with revenue authorities of Rs. 8.33 crores referred in point 4.viii above] and total liabilities of Rs. 26.70 crores as at June 30, 2021. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter ended June 30, 2021 had the said units been reviewed by us.

- x. As explained in Note no 13 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 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 net results for the quarter ended June 30, 2021.

- xi. As explained in Note no 14 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 ended June 30, 2021, the amounts whereof are presently not ascertainable.
- xii. As explained in Note No. 19 to the Standalone Statement, 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 quarter ended 30th June 2021, the Company has transferred an aggregate sum of Rs.13,32,61,402 to the said related party to manage project payables for and on behalf of the Company. Out of the above funds, Rs.12,49,21,054 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. On 17.12.2021, the Bombay High Court recalled / revoked all earlier orders and transferred the Company petitions before the Court to the National Company Law Tribunal, Mumbai Bench in view of the interim petition filed by the State Bank of India, a secured financial creditor of the Company.

We are unable to comment on the consequential impact if any arising out of the above events on the net results for the quarter ended June 30, 2021.

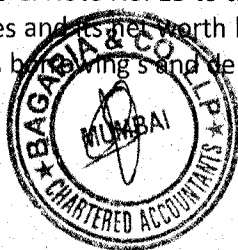
- xiii. There are various Legal Cases filed by / against the Company, since the cases are ongoing, we are unable to comment on any consequential impact in respect of the same on the net results for the quarter ended June 30, 2021, the amounts whereof are presently not ascertainable.

The matters stated above except point 4(iv) ,4(x) & 4(xii) were also subject matter of qualification in our review conclusion / audit opinion on the standalone financial results for the quarter ended June 30, 2020. The matters stated above except point 4(xii) were also subject matter of qualification in our audit report on the audited standalone financial results for the quarter ended March 31, 2021

Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the effects/possible effects of the matters described in paragraph 4, 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.

5. Material Uncertainty Related to Going Concern:

We draw attention to Note No. 9 & Note No. 15 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 other matters



set forth in Note No 4, 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.15 to the Standalone Statement.

6. Emphasis of matter:

- a. Note No. 16 to the Standalone Statement, on 29/09/2018, the shareholders accorded their approval for the waiver of recovery of excess managerial remuneration in respect of three Directors of the Company. The Company is taking necessary actions and steps for approval from Secured Lenders pursuant to the Notification dated 12/09/2018 issued by Ministry of Corporate Affairs on the subject. The Company is hopeful of getting requisite approval from the secured lenders upon settlement proposal approved by them.
- b. Note No. 17 to the Standalone Statement, the Company has during the quarter ended June 30, 2021 identified certain non-moving balances which in the view of Management, are not recoverable and / or payable. The aggregate of such non-moving non-recoverable balances is Rs.30.43 crores and aggregate of such non-moving non-payable balances is Rs.30.47 crores. These balances have been netted and a net income of Rs.0.04 crores has been recorded as "Sundry balances written back".

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

7. Other matter:

Attention is drawn to the fact that the figures of the quarter ended March 31, 2021 as reported in these standalone financial results are the balancing figures between audited figures for the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures upto the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

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

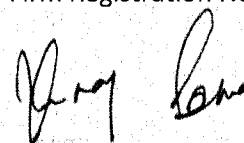
Place: Mumbai

Date: August 27, 2022

For **Bagaria and Co. LLP**

Chartered Accountants

Firm Registration No.: 113447 WCA-100019

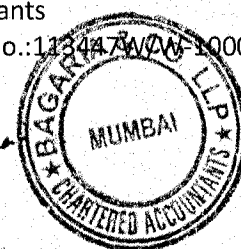


Vinay Somani

Partner

Membership No. 143503

UDIN: 22143503AQBQOT2787



LIMITED REVIEW REPORT

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

1. We have reviewed the unaudited consolidated financial results of Valecha Engineering Limited (hereinafter referred to as the "Holding Company") and its subsidiaries and associates (the Holding Company, its subsidiaries and its associates together referred to as "the Group") for the quarter ended June 30, 2021 which are included in the accompanying 'Unaudited Consolidated Statement of Financial Results for the quarter ended June 30, 2021 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 initialled by us for identification purposes.
2. This Consolidated Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (IND AS "34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Statement based on our review.
3. 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 are 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.
4. 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.
5. 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	Associate Company



The Statement does not include the result of following Company:

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

6. (i) As explained in Note No. 7 to the Consolidated Statement, Valecha LM Toll Private Limited (VLMTPL), a stepdown subsidiary of the Holding 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.

The Holding Company have provided Corporate Guarantee of Rs. 272.84 crores on behalf of VLMTPL which have not been evaluated for impairment provisioning in view of the same not yet being invoked.

In the absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued by the Group, we are unable to comment upon the resultant impact, if any, on the net results for the quarter ended 30th June, 2021, which may arise on account of non-provision of impairment towards Corporate Guarantees as referred above.

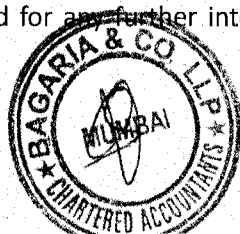
- ii. The Consolidated financial results include goodwill arising on consolidation amounting to Rs. 1.80 Crores which has not been tested for impairment inspite of the losses and sub-optimal operations of the Group. In the absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued by the Group, we are unable to comment upon the resultant impact, if any, on the net results for the quarter ended 30th June, 2021, which may arise on account of non-provision of impairment on goodwill as referred above.

- iii. As explained in Note No. 8 to the Consolidated Statement, the Holding Company has not evaluated expected credit losses for long outstanding Trade Receivables of Rs. 231.62 crores which includes Rs. 100.34 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under consideration and deliberation before various authorities.

The 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. 6.78 crores, loans given to other than related parties amounting to Rs. 121.20 crores and advances to suppliers amounting to Rs. 34.22 crores as at June 30, 2021.

In absence of any detailed information regarding the recoverability of such loans and advances, third party confirmation/reconciliations for such trade receivables and loans and advances, we are unable to comment upon the recoverability and corresponding impact of impairment on the net results for the quarter ended June 30, 2021.

- iv. As explained in Note No. 9 to the Consolidated Statement, the Holding Company's borrowing facilities with various banks and NBFC's have continued to remain under NPA classification. In view of the proposed Settlement proposals being pursued by the Management with its lenders, the Management expects reliefs and concessions from various lenders and accordingly has not provided for any further interest liability in relation to its outstanding debts.



The Holding Company has also not provided interest which may arise towards delayed payment / non-payment of dues towards tax deducted at source and on outstanding payments to Vendors registered under MSME as on June 30, 2021.

In absence of any further detailed information and management's estimates of reliefs and concessions to be obtained from Settlement proposals being pursued, we are unable to comment upon the resultant impact, if any, on the net results for the quarter ended June 30, 2021, which may arise on account of non-provision of interest on loans, trade payables and statutory dues as referred above.

- v. As explained in Note No. 10 to the Consolidated Statement, the Holding Company has an outstanding principal liability of Rs. 22.94 crores as at June 30, 2021 payable to public fixed deposit holders. In view of its already weak financial position, the Holding Company has not made any provision of interest on these outstanding fixed deposits.

In absence of detailed information and computation of such interest including additional interest, if any, we are unable to comment upon its resultant impact on the net results for the quarter ended June 30, 2021.

- vi. As explained in Note No. 11 to the Consolidated Statement, Other Current Assets as at June 30, 2021 includes Rs 33.25 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. However, in view of unavailability of information on status of such assessments or status of recoverability, we are unable to comment upon the resultant impact, if any on net results for the quarter ended June 30, 2021.

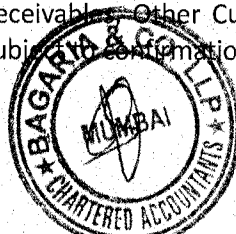
- vii. As explained in Note No. 12 to the Consolidated Statement, the Holding Company has sixteen project sites, which have either been de-mobilized or completed or otherwise shut or non-operational, could not obtain details of transactions effecting, if any, through Bank accounts previously operated through such project sites. There have been no operations in such project sites during the quarter ended June 30, 2021. Movement in accounts of such project sites, if any, is on account of balances being written off and/or written back and payments and/or receipts being identified and/or made by the Head Office division in relation to assets and liabilities of such project sites.

Such Project Sites comprises total assets of Rs. 83.83 crores [including Trade Receivables Rs. 69.93 crores and loans to other parties Rs. 5.51 crores referred in point 6.iii above, balances with revenue authorities of Rs. 8.33 crores referred in point 6.vi above] and total liabilities of Rs. 26.70 crores as at June 30, 2021. In view of unavailability of information, we are unable to comment upon the resultant impact, if any on net results for the quarter ended June 30, 2021 had the said units been reviewed by us.

- viii. As explained in Note no 13 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 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 net results for the quarter ended June 30, 2021.

- ix. As explained in Note no 14 to the Consolidated Statement, the accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities are subject to confirmations, reconciliations and adjustments, if



any, having consequential impact on the net results for the quarter ended June 30, 2021, the amounts whereof are presently not ascertainable.

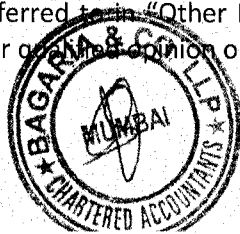
- x. As explained in Note No. 19 to the Consolidated Statement, the Company operations and activities were suspended vide Court Orders dated 05.03.2021 and 09.03.2021. However, to complete the ongoing existing projects being undertaken by the Company, Gopaldas Vasudev Construction Private Limited, a 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 quarter ended 30th June 2021, the Company has transferred an aggregate sum of Rs.13,32,61,402 to the said related party to manage project payables for and on behalf of the Company. Out of the above funds, Rs.12,49,21,054 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. On 17.12.2021, the Bombay High Court recalled / revoked all earlier orders and transferred the Company petitions before the Court to the National Company Law Tribunal, Mumbai Bench in view of the interim petition filed by the State Bank of India, a secured financial creditor of the Company.

We are unable to comment on the consequential impact if any arising out of the above events on the net results for the quarter ended June 30, 2021.

- 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 ended June 30, 2021, the amounts whereof are presently not ascertainable.
- xii. As explained in Note No 18(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 except point 6(viii) and 6(x) were also subject matter of qualification in our audit conclusion / opinion on the consolidated financial results for the quarter ended June 30, 2020.. The matters stated above except point 6(x) were also subject matter of qualification in our audit conclusion / opinion on the consolidated financial results for the quarter and year ended March 31, 2021.

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 Results* 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 results.



7. Material Uncertainty Related to Going Concern:

We draw attention to Note No. 9 & Note No. 15 to the Consolidated 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 other matters set forth in Note No 4, 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 Consolidated financial results of the Group have been prepared on a going concern basis for the reasons stated in Note No.15 to the Consolidated Statement.

We draw attention to Note no 18(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

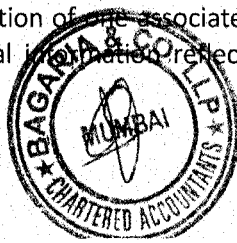
- VKTRL continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses for the quarter ended June 30, 2021 and in previous financial years. It has also continued to default in repayment of its financial obligation including interest and the construction of balance work is going at very slow pace, resulting in increase in cost of project mainly due to interest during construction period. However, as advised, the project had been halted due to non-availability of land and environment issues and on 13.05.2015, VKTRL has received PCOD (provisional commercial operation date) of for section 1 for which revenue is being generated. PCOD for Section 2 is likely to be completed by September 2022. VKTRL has also put an enhanced claim of Rs. 1862.03 crores on GSRDC till March 2022 and is hopeful of realizing the same.

8. Emphasis of Matter

- a. Note No. 16 to the Consolidated Statement, on 29/09/2018, the shareholders accorded their approval for the waiver of recovery of excess managerial remuneration in respect of three Directors of the Holding Company. The Holding Company is taking necessary actions and steps for approval from Secured Lenders pursuant to the Notification dated 12/09/2018 issued by Ministry of Corporate Affairs on the subject. The Holding Company is hopeful of getting requisite approval from the secured lenders upon settlement proposal approved by them.
- b. Note No. 17 to the Consolidated Statement, the Holding Company has during the quarter ended June 30, 2021 identified certain non-moving balances which in the view of Management, are not recoverable and / or payable. The aggregate of such non-moving non-recoverable balances is Rs.30.43 crores and aggregate of such non-moving non-payable balances is Rs.30.47 crores. These balances have been netted and a net income of Rs.0.04 crores has been recorded as "Sundry balances written back".

9. Other Matters:

- a) We did not review the financial results of four subsidiaries (including one step down subsidiary) included in the consolidated audited financial results whose financial statements reflect total assets of Rs. 426.22 Crores, total revenue of Rs.6.25 crores and total comprehensive loss of Rs. 37.35 crores for the quarter ended June 30, 2021 respectively. These financial results have been reviewed by other auditor whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated above.
- b) We did not review the financial information of the associate company included in the consolidated audited financial results whose financial information reflect total assets of Rs. 6.54 Crores, total



revenue of Rs. NIL for the quarter June 30, 2021 and total comprehensive loss of Rs. NIL for the quarter ended June 30, 2021. 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 associate, is based solely on such Management certified financial information and the procedures performed by us as stated.

- c) 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. 23.83 Crores, total revenue of Rs. Nil for the quarter ended June 30, 2021, and total comprehensive loss of Rs. NIL for the quarter ended June 30, 2021. The unaudited financial result 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 conclusion on the financial results, in so far as relates to the amount and disclosures included in respect of these subsidiary is based solely on such unaudited financial information.
- d) The Consolidated financial results include the results for the quarter ended March 31, 2021 being the balancing figures between audited figures for the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures upto the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

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.:113447WAW-100019



Place: Mumbai
Date: August 27, 2022

Vinay Somani
Partner
Membership No. 143503
UDIN: 22143503AQBQXR7144