

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2017

(₹ in Lakhs) Except EPS

Sr. No.	PARTICULARS	STANDALONE				
		QUARTER ENDED		NINE MONTHS ENDED		
		31.12.2017 (Unaudited)	30.09.2017 (Unaudited)	31.12.2016 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)
1	Income					
	(a) Revenue from Operations	4,322.20	2,628.49	10,194.04	14,912.07	29,693.70
	(b) Other Income	140.44	285.66	138.82	1,806.11	1,787.38
	Total Income	4,462.64	2,914.15	10,332.86	16,718.18	31,481.08
2	Expenses					
	a. Construction Expenses	3,444.06	1,605.94	9,249.05	12,974.42	26,141.44
	b. (Increase) / Decrease in Stock	79.57	102.21	(30.25)	711.47	416.70
	c. Employees Benefits Expense	234.03	199.86	363.71	-702.75	1,157.04
	d. Finance costs	1,688.05	1,556.31	1,471.90	4,843.04	4,463.32
	e. Depreciation and amortization Expenses	240.63	252.29	444.87	760.03	1,334.29
	f. Other Expenses	95.61	525.69	89.53	814.23	253.15
	Total Expenses	5,781.95	4,242.29	11,588.81	20,805.94	33,765.94
3	Profit / (Loss) before Exceptional Items and tax (1-2)	(1,319.31)	(1,328.14)	(1,255.95)	(4,087.76)	(2,284.86)
4	Exceptional Items	-	-	-	-	-
5	Profit / (Loss) before tax (3-4)	(1,319.31)	(1,328.14)	(1,255.95)	(4,087.76)	(2,284.86)
6	Tax Expense					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	-	45.52	(85.39)	-	(256.05)
7	Profit / (Loss) for the period from continuing Operations (5-6)	(1,319.31)	(1,373.66)	(1,170.56)	(4,087.76)	(2,028.81)
8	Profit/ (Loss) from discontinuing operations	-	-	-	-	-
9	Tax Expense of discontinuing operations	-	-	-	-	-
10	Profit/ (Loss) from discontinuing operations (after tax) (8-9)	-	-	-	-	-
11	Profit / (Loss) for the Period (7+10)	(1,319.31)	(1,373.66)	(1,170.56)	(4,087.76)	(2,028.81)
12	Other Comprehensive Income (Net of Taxes)	-	-	-	-	-
	(a) i. Items that will not be reclassified to profit or loss	-	-	-	-	-
	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	-	-	-	-	-
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income (Net of Taxes)	-	-	-	-	-
13	Total Comprehensive Income for the period (11+12)	(1,319.31)	(1,373.66)	(1,170.56)	(4,087.76)	(2,028.81)
14	Paid-up Equity Share Capital (Face Value ₹ 10/-)	2,253.00	2,253.00	2,253.00	2,253.00	2,253.00
15	Reserve Excluding Revaluation Reserves	-	-	-	-	-
16	Earning Per Share (of ₹ 10/- each) (not annualised):					
	(i) Basic earnings (loss) per share	(5.86)	(6.10)	(5.20)	(18.14)	(9.00)
	(ii) Diluted earnings (loss) per share	(5.86)	(6.10)	(5.20)	(18.14)	(9.00)
	See accompanying note to the Financial Results					



Notes:	
1	The above unaudited financial results, have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in its meeting held on 19th February, 2018 as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Limited Review of the unaudited financial results for the quarter ended on 31st December, 2017 has been carried out by the Statutory Auditors.
2	The Company is engaged in "Construction Activity" and accordingly, the Company has a single primary reporting segment.
3	The Company has adopted Indian Accounting Standards ("Ind AS") w.e.f 1st April 2017 (transition date being 1st April 2016) and accordingly these financial results have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Financial results for the comparative period have also been prepared in accordance with the recognition and measurement principles of Ind AS 34.
4	This Ind AS unaudited financial results and financial information for the quarter and nine months ended 31st December, 2016 have been complied by the management after making necessary adjustments to give true and fair view of the results. This information has not been subject to any Limited Review or Audit.
5	The format for unaudited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015 has been modified to comply with requirement of SEBI's circular CIR/CFD/FAC/62/2016 dated July 05, 2016, Ind AS and Schedule III to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
6	The Company has opted to avail relaxation provided by Securities and Exchange Board of India ("SEBI") vide the aforesaid circular dated July 05, 2016 in respect of disclosure requirements for figures of earlier periods. Accordingly, the figures for the year ended 31st March, 2017 have not been presented.
7	Reconciliation of profit after tax for the quarter and nine months ended 31st December, 2016 between Ind AS compliant result as reported above with result reported in the previous year (referred to as Indian GAAP) is given below:

(₹ in Lakhs)		
	For Quarter ended 31st Dec 2016	For Nine Months ended 31st Dec 2016
Profit/ (Loss) after tax under Indian GAAP	(1,110.91)	(2,146.12)
(a) Guarantee fee income from subsidiary on financial guarantee contract	-	321.25
(b) Depreciation on investment property	3.18	9.54
(c) Amortisation of Processing fees on Term Loans	56.47	194.40
Net Profit/ (Loss) After Tax under Ind AS	(1,170.56)	(2,028.81)
Other Comprehensive Income (Net of Tax)	-	-
Total Comprehensive Income as per Ind AS	(1,170.56)	(2,028.81)

8 Previous period's / year's figures have been regrouped / rearranged wherever necessary to conform to those of current period's / year's classification.

Place : Mumbai

Dated : 19th February, 2018



For VALECHA ENGINEERING LIMITED

[Signature]
J. K. VALECHA

VICE CHAIRMAN - CUM - MANAGING DIRECTOR

DIN : 00013070

[Handwritten signature]

Limited Review Report

To,
The Board of Directors of VALECHA ENGINEERING LIMITED("Company")

1. We have reviewed the unaudited standalone financial results of **VALECHA ENGINEERING LIMITED ("Company")** for the quarter ended December 31, 2017 which are included in the accompanying Statement of Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2017 together with the notes thereon (the 'Statement'). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which has been initialed by us for identification purposes. This statement which is the responsibility of the Company's management and has been approved by Board of Directors. Our responsibility is to issue a report on these financial statements based on our review. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance sheet as at April 1, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Financial Statements of the Company as at March 31, 2017 and the year then ended were audited by another firm of chartered accountants who, vide their report dated August 16, 2017, expressed an unmodified opinion on those financial statements.
4. The unaudited financial result for the quarter ended June 30, 2017 were reviewed by another firm of Chartered Accountants who, vide their review report dated September 21, 2017, expressed an unmodified conclusion on the aforesaid financial information.



5. The Company has not included transactions related to eight project sites in the financial results due to non-availability of records. In the absence of information, we are unable to comment resultant impact on the loss and net worth of the Company as at 31st December, 2017.
6. Recognition and measurement in compliance with Indian Accounting Standards (Ind AS) relating to fair valuation of certain items of non-current assets and liabilities shall be carried out at the year end. However, management does not expect any material impact on the aforesaid financial result.
7. Trade receivables, loans, trade payables, other noncurrent liabilities and current liabilities are subject to confirmation and reconciliation, if any. Provisions, if any required, will be made at the year end.
8. The management is under the process of reconciling the value of overdue trade receivables, provisions, if any required, will be made at the year end.
9. The value of inventories is taken and valued as per the details furnished and certified by management.
10. The Company has an investment of Rs.4,168.95 Lakhs in three of its subsidiaries and also extended loans and advances of Rs. 22,025.05 Lakhs to these subsidiaries as on December 31, 2017. The net worth of these Indian Subsidiaries has been eroded. We are given to understand that these investments are for long term and of strategic nature and the management is confident of turning around the subsidiaries in the near future. Also, the investment in foreign subsidiary, which has no operations for several years, is carried at Rs.26.44 lakhs as at December 31, 2017. In view of this, provision, if any required, for the diminution in the value of investments will be made at the year end.
11. Based on our review conducted as above, subject to paragraph 5 to 10 as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
12. We draw attention to the following matters:
 - a) Note 3 to the statement which states that the Company has adopted Ind AS for the financial year commencing from April 01, 2017, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.



- b) We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter and nine months ended on December 31, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter and nine months ended on December 31, 2016. As set out in Note 4 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration No: 104746W/W100096



Jayesh Parmar
Partner

Membership No.: 45375
Place: Mumbai
Date: 14th February, 2018

