

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 HALF YEAR ENDED 30TH SEPTEMBER, 2017

(₹ in Lakhs) Except EPS

| Sr. No. | PARTICULARS | STANDALONE | | | | |
|-----------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | QUARTER ENDED | | | HALF YEAR ENDED | |
| | | 30.09.2017 (Unaudited) | 30.06.2017 (Unaudited) | 30.09.2016 (Unaudited) | 30.09.2017 (Unaudited) | 30.09.2016 (Unaudited) |
| 1 | Income | | | | | |
| | (a) Revenue from Operations | 2,628.49 | 7,961.38 | 9,245.82 | 10,589.87 | 19,499.66 |
| | (b) Other Income | 55.76 | 1,609.90 | 3.90 | 1,665.66 | 1,648.56 |
| | Total Income | 2,684.26 | 9,571.28 | 9,249.72 | 12,255.54 | 21,148.22 |
| 2 | Expenses | | | | | |
| | a. Construction Expenses | 1,605.94 | 7,924.42 | 7,129.74 | 9,530.36 | 16,892.39 |
| | b. (Increase) / Decrease in Stock | 102.21 | 529.69 | 145.68 | 631.90 | 446.95 |
| | c. Employees Benefits Expense | 199.86 | 268.86 | 393.43 | 468.72 | 793.33 |
| | d. Finance costs | 1,556.32 | 1,598.68 | 1,538.64 | 3,154.99 | 2,991.42 |
| | e. Depreciation and amortization Expenses | 252.29 | 267.12 | 444.25 | 519.40 | 889.42 |
| | f. Other Expenses | 295.79 | 422.82 | 67.88 | 718.61 | 163.62 |
| | Total Expenses | 4,012.39 | 11,011.59 | 9,719.61 | 15,023.98 | 22,177.13 |
| 3 | Profit / (Loss) before Exceptional Items and tax (1-2) | (1,328.16) | (1,440.31) | (469.89) | (2,768.44) | (1,028.91) |
| 4 | Exceptional Items | | | | | |
| 5 | Profit / (Loss) before tax (3-4) | (1,328.14) | (1,440.31) | (469.89) | (2,768.44) | (1,028.91) |
| 6 | Tax Expense | | | | | |
| | (a) Current tax | - | - | - | - | - |
| | (b) Deferred tax | 45.52 | (45.52) | (85.26) | - | (170.66) |
| 7 | Profit / (Loss) for the period from continuing Operations (5-6) | (1,373.66) | (1,394.79) | (384.63) | (2,768.44) | (858.25) |
| 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) | (1,373.66) | (1,394.79) | (384.63) | (2,768.44) | (858.25) |
| 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) | (1,373.66) | (1,394.79) | (384.63) | (2,768.44) | (858.25) |
| 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 | (6.10) | (6.19) | (1.71) | (12.29) | (3.81) |
| | (ii) Diluted earnings (loss) per share | (6.10) | (6.19) | (1.71) | (12.29) | (3.81) |
| | See accompanying note to the Financial Results | | | | | |



Valecha Engineering Limited
Statement of Assets and Liabilities :

| Particulars | As at 30 September 2017 (₹ in Lakhs) |
|--------------------------------------|--|
| ASSETS | |
| Non-Current Assets | |
| Property, Plant and Equipment | 3,854.68 |
| Investment property | 796.43 |
| Financial Assets | |
| Investments | 7,219.14 |
| Security Deposits | 12.03 |
| Total | 11,882.28 |
| Current assets | |
| Inventories | 3,431.81 |
| Financial assets | |
| Trade receivables | 24,943.47 |
| Cash and cash equivalents | 1,715.95 |
| Loans | 49,051.57 |
| Other tax assets | 7,019.95 |
| Loans | |
| Other current assets | 8.52 |
| Total | 86,171.28 |
| TOTAL ASSETS | 98,053.56 |
| EQUITY & LIABILITIES | |
| Equity | |
| Equity Share Capital | 2,253.00 |
| Other equity | (672.43) |
| Total | 1,580.57 |
| LIABILITIES | |
| Non-current Liabilities | |
| (a) Financial liabilities | |
| Borrowings | 3,060.34 |
| Other financial liabilities | 8,689.42 |
| (c) Deferred tax liabilities (Gross) | 1,406.26 |
| (d) Other non-current liabilities | 6,862.54 |
| Total | 20,018.57 |
| Current Liabilities | |
| (a) Financial liabilities | |
| Borrowings | 27,977.10 |
| Trade Payable | 15,321.96 |
| (b) Other current liabilities | 33,155.36 |
| Total | 76,454.42 |
| Total Equity and Liabilities | 98,053.56 |



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 14th December, 2017 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 30th September, 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 half year ended 30th September 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 un-audited 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 half year ended 30th September, 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)

| Particulars | For the Quarter ended 30th Sep 2016 | For the half year ended 30th Sep 2016 |
|---|-------------------------------------|---------------------------------------|
| Profit/ (Loss) after tax under Indian GAAP | (317.06) | (1,035.21) |
| (a) Guarantee fee income from subsidiary on financial guarantee | - | 321.25 |
| (b) Depreciation on investment property | 3.18 | 6.36 |
| (c) Amortisation of Processing fees on Term Loans | 64.40 | 137.93 |
| Net Profit/ (Loss) After Tax under Ind AS | (384.63) | (858.25) |
| Other Comprehensive Income (Net of Tax) | - | - |
| Total Comprehensive Income as per Ind AS | (384.63) | (858.25) |

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 : 14th December, 2017



For VALECHA ENGINEERING LIMITED

J. R. Valecha
J. R. VALECHA

VICE CHAIRMAN - CUM - MANAGING DIRECTOR

DIN : 00013070

Limited Review Report

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

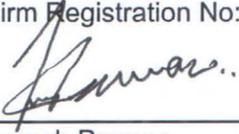
1. We have reviewed the unaudited standalone financial results of **VALECHA ENGINEERING LIMITED ("Company")** for the quarter ended September 30, 2017 which are included in the accompanying Statement of Unaudited Financial Results for the Quarter and Half year ended September 30, 2017 and the statement of assets and liabilities as on that date 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 30th September, 2017.
6. Recognition and measurement in compliance with Indian Accounting Standards (Ind AS) relating to fair valuation of certain items of noncurrent assets and liabilities shall be carried out in the subsequent quarters or at the year end. However, management does not expect any material impact on the aforesaid financial results.



7. Trade receivables, loans, trade payables, other non-current liabilities and current liabilities are subject to confirmation and reconciliation. Provisions, if any required, will be made at the year end.
8. The value of inventories is taken and valued as per the details furnished and certified by management.
9. The Company has an investment of Rs.4,168.95 Lakhs in four of its subsidiaries and also extended loans and advances of Rs. 23,936.14 Lakhs to these subsidiaries as on September 30, 2017. The net worth of these 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. In view of this, provision, if any required, for the diminution in the value of investments will be made at the year end.
10. Based on our review conducted as above, subject to paragraph 5 to 9 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.
11. We draw attention to the following matters:
 - a) Note 3 to the financial 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 half year ended on September 30, 2016 and accordingly, we do not express any opinion on the results in the Statement for the quarter and half year ended September 30, 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: 104746WAW100096


Jayesh Parmar
Partner

Membership No.: 45375

Place: Mumbai

Date: 14th December, 2017

