

Ref: VEL/19-20/076

14th November, 2019

BSE LIMITED P. J. TOWERS, DALAL STREET, MUMBAI - 400 001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
SCRIP CODE 532389	VALECHENG

Dear Sirs,

Sub: Outcome of Board Meeting-Approval of Unaudited Financial Results for 2nd Quarter and half year ended 30.09.2019

Ref: Regulation 29 & 47 of the SEBI (LODR) Regulations, 2015.
Our letter VEL/19-20/075 dated 05th November, 2019

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we would like to inform you that the Board of Directors of the Company at their meeting held on **Thursday, 14th November, 2019** have considered, approved/taken on record;

1. The Unaudited Financial Results along with Limited Review Report of the Company for the **2nd Quarter and half year ended 30th September, 2019.**
2. The appointment of Mr. Tejas Deshpande and Mr. S.N. Kavi as Additional Directors as under:

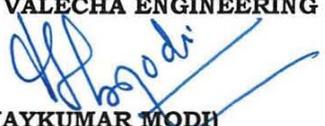
Name & Date Of Appointment	Brief Profile	Disclosure of relationships between directors.
Mr Tejas Deshpande 14.11.2019 Additional Non-executive & Independent Director	Advocate with litigation practice in High Court, Mumbai and Supreme Court of India with expertise in real estate, infrastructure and company law related cases	Not applicable
Mr. Sadashiv N. Kavi 14.11.2019 Additional Non-executive & Independent Director	Engineer having over 40 years of experience	Not applicable

The meeting commenced at 05:00 p.m. the concluded at 09:25 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

LIMITED REVIEW REPORT

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Valecha Engineering Limited** ("the Company") for the quarter and six months ended 30th September 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 of the SEBI (Listing, Obligations and Disclosure requirements) Regulations, 2015 ('Listing regulations').
2. This 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, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Basis for Qualified Conclusion

- a. The Company has not evaluated impairment provisions for expected credit losses (ECL) as required under Ind AS 109 "Financial Instruments" towards:
 - Loans & advances aggregating to Rs. 258.44 crores given to its four subsidiaries and one step-down subsidiaries;
 - Investments aggregating to Rs. 41.98 crores in its four subsidiaries and Rs. 0.02 crores in one associate;
 - Corporate Guarantee aggregating to Rs. 979.47 crores to Banks on behalf of the two subsidiaries and two step-down subsidiaries. The Company has not done any fair valuation of such Corporate guarantees as per the requirements of Ind AS 113 but has only recognized the guarantee fees/commission for the period upto March 31, 2018 of Rs. 28.01 Crores. The Company has similar to FY 2018-19 continued to not recognize any such Guarantee Fees / Commissions for the period under review in view of the already weak financial position of such subsidiaries and step down subsidiaries. No reversals/impairment has been done for the guarantee fees / commission already recognized upto March 31, 2018.

The net-worth of the above referred subsidiaries, the step down subsidiaries and one associate is completely eroded on account of continuing losses incurred in the past. In the absence of any further detailed information, we are unable to comment upon the resultant impact which may arise owing to fair valuation adjustment of referred Corporate guarantees the impairment provision for



expected credit losses on the above referred Loans & advances, Investments, if any, and its resultant impact on the net results for the quarter and six months ended 30th September, 2019.

Attention is invited to Note No. 12 to the Statement regarding the fact of the Initiation of NCLT proceedings against one of the step down subsidiary of the Company as detailed in the note thereon and its corresponding and consequential impact on the overall net results for the quarter and six months ended 30th September, 2019.

Further, the Company has also invested Rs. 0.05 crores in one of its Associate Company, financial statements of which are not made available by the Management, in the absence of detailed information and financial statements, we are unable to comment upon the need for impairment provisions, which may be required and the resultant impact on the net results for the quarter and six months ended 30th September, 2019, if any.

- b. We draw attention to Note No. 5 to the Statement, wherein the Company has not provided for any regular interest estimated at Rs. 20.11 Crores & Rs. 39.81 Crores for the quarter and six months ended 30th September, 2019 respectively as it expects certain relief in view of the proposed settlement proposals being pursued by the Management. The Company has also not provided for any penal interest, if any, which may arise for defaults in repayments of various borrowings for similar reasons.

The Company has not provided Interest on its outstanding payments to its Vendors registered under MSME.

The Company has also not provided for interest of Rs 3.77 crores which may arise towards delayed payment of TDS as on 30th September 2019.

Had such provision towards regular interest for the quarter and six months ended 30th September, 2019 and interest on delayed payment of TDS as on 30th September 2019 been made in the financial results of quarter ended 30th September, 2019, the Company's net loss after comprehensive income for the quarter and six months ended 30th September, 2019 would have been Rs. 22.78 crores & Rs. 42.39 crores respectively. In absence of detailed computation of penal interest for default in repayment of Borrowings, interest for default in payment of TDS and interest for delayed payments to vendors registered under MSME we are unable to comment on its resultant impact on the net results for the quarter and six months ended 30th September, 2019.

- c. We draw attention to Note No. 7 to the Statement, The Company has not repaid fixed deposits from deposit holders (including unpaid interest provided upto March 2017 of Rs. 2.58 crores) amounting to Rs. 30.73 crores outstanding as at September 30, 2019 as per the contractual terms. Pursuant to the NCLT order dated 03.04.2019, 11.06.2019 and 22.08.2019 and in terms of NCLAT order dated 24.10.2019 the matter has been subjudiced. As per this orders, the proceeds from Canara Bank and refunds from Income Tax department will be exclusively utilized for repayment of deposits to deposit holders. The Company has also not provided for regular interest on such deposits for the F.Y. 2017-18, F.Y.2018-19 and for the six months ended 30th September, 2019 as per the terms of issue and acceptance of deposits. Further, the Company has also not provided penal interest and fine as may be applicable under rule 21 of (Acceptance of Public Deposit) Rules, 2014. Non provision of such interest is not in compliance with Ind AS 23 "Borrowing Cost". In absence of detailed information and computation of such regular interest, penal interest and fine, if any, we are unable to comment upon its resultant impact on the net results for the quarter and six months ended 30th September, 2019.
- d. We draw attention to Note No. 8 to the Statement, the Company has not evaluated expected credit losses for long outstanding Trade Receivables which includes Rs. 160.30 crores pertaining to



additional claims raised during earlier years due to price escalation and various other reasons which are under arbitration 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 associates as referred in point (a) above) amounting to Rs. 3.56 crores and to others amounting to Rs. 161.87 crores as at September 30, 2019. In absence of detailed information, third party confirmation/reconciliation, we are unable to comment upon its recoverability and corresponding impact of impairment on the net results of the quarter and six months ended 30th September, 2019.

- e. We draw attention to Note No. 9 to the Statement, where the Company in relation to its 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 30th September, 2019. Movement in accounts of such project sites, if any, is on account of payments / receipts being made by the Head Office division. Total assets and liabilities of such sites is Rs. 112.06 Crores & Rs. 85.05 Crores respectively. In view of unavailability of detailed information, we are unable to comment upon the resultant impact, if any on net results for the quarter and six months ended 30th September, 2019, had the said units been reviewed by us.
- f. 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 six months ended 30th September, 2019, the amounts whereof are presently not ascertainable.
- g. 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 six months ended 30th September, 2019, the amounts whereof are presently not ascertainable.

5. Conclusion

Based on our review conducted as above, except for the possible effects of the matters described in the Basis for Qualified Conclusion in paragraph 4 above and read with Emphasis of matters described below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting Standards 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, read with circular issued from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty Related to Going Concern:

We draw attention to Note No. 3 & Note No. 5 to the 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. 3 & Note No. 5, 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 financial results of the Company have been prepared on a going concern basis for the reasons stated in the Note No.3.



7. Emphasis of matter:

- a) We draw attention to Note No. 10 to the Statement, where the Company has stated that Other Current Assets as at September 30, 2019 includes Rs 34.42 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. The Management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recovery.
- b) The value of inventory is taken and valued as per the details furnished and certified by Management.
- c) We draw attention to Note no. 11 to the Statement where the Company has not paid / provided for managerial remuneration during the quarter ended 30th September, 2019. However, the Company is still awaiting and is hopeful of getting requisite approval from the secured lenders for waiver of recovery of managerial remuneration of Rs. 3.08 Crores provided in earlier years in terms of the special resolution passed by the members in their Annual General Meeting.

Our conclusion is not modified in respect of this matter.

8. Other Matter:

- a) The Statement includes the results for the Quarter ended 30th September 2018 and half year ended 30th September 2018 which were reviewed by the predecessor auditor who, vide their review report dated 14th November 2018, expressed a qualified conclusion on those financial results.
- b) Our conclusion is not modified in respect of this matter.

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



Vinay Somani

Partner

Membership No. 143503

UDIN: 19143503AAAAPC7456



Place: Mumbai

Date: 14th November, 2019

VALECHA ENGINEERING LIMITED

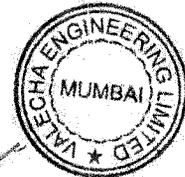


(An ISO 9001-2015 Company) CIN : L74210MH1977PLC019535
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 Email : ho@valecha.in Website : valechaeng.com

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2019

(₹ in Crores) Except EPS

Sr. No.	PARTICULARS	Standalone					
		For the quarter ended on			For the half year ended on		For the year ended on
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
1	Income						
	(a) Revenue from Operations	49.23	57.67	19.99	106.90	59.26	184.30
	(b) Other Income	0.87	1.46	4.75	2.33	10.79	17.23
	Total Income	50.10	59.13	24.64	109.23	70.05	201.53
2	Expenses						
	a. Construction Expenses	40.68	60.01	21.59	100.69	55.99	160.18
	b. Changes in inventories	5.44	(4.92)	(1.18)	0.52	3.32	13.96
	c. Employees Benefits Expense	1.30	1.54	1.37	2.84	3.44	7.44
	d. Finance costs	0.03	0.24	20.54	0.27	38.63	1.28
	e. Depreciation and amortization Expenses	0.62	0.67	1.41	1.29	2.78	5.18
	f. Other Expenses	1.64	1.02	5.17	2.66	6.36	12.33
	Total Expenses	49.70	58.57	48.90	108.27	110.52	200.37
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	0.40	0.56	(24.26)	0.96	(40.47)	1.16
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-	-	-
5	Profit / (Loss) before Exceptional Items and tax (7+4)	0.40	0.56	(24.26)	0.96	(40.47)	1.16
6	Exceptional Items	-	-	-	-	-	-
7	Profit / (Loss) before tax (5-6)	0.40	0.56	(24.26)	0.96	(40.47)	1.16
8	Tax Expense	-	-	-	-	-	-
	(a) Current Tax (Including earlier year taxation)	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	0.40	0.56	(24.26)	0.96	(40.47)	1.16
10	Other Comprehensive Income (OCI)						
	(a) i. Items that will not be reclassified to profit or loss	(0.07)	(0.05)	(0.36)	(0.12)	(0.68)	(0.14)
	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	0.50	(0.15)	-	0.35	-	1.39
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	0.43	(0.20)	(0.36)	0.23	(0.68)	1.25
11	Total Comprehensive Income for the period (9+10)	0.83	0.36	(24.62)	1.19	(41.15)	2.41
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	-	-	-	-	-	9.10
17	Earning Per Share (of ₹ 10/- each) (not annualised):						
	(i) Basic earnings (loss) per share	0.18	0.25	(10.77)	0.43	(17.96)	0.51
	(ii) Diluted earnings (loss) per share	0.18	0.25	(10.77)	0.43	(17.96)	0.51
	See accompanying note to the Financial Results						



LIMITED REVIEW REPORT

To
Board of Directors of
Valecha Engineering Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Valecha Engineering Limited** ("the Holding Company"), its subsidiaries and associates (the Holding Company, its subsidiaries and its associates together referred to as "the Group") for the quarter and six months ended 30th September 2019 ("the Statement") attached herewith, 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'), as amended.
2. This 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 Statement based on our review.
3. We conducted our review of the Statement 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. 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.

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.

4. **Basis for Qualified Conclusion**

- a. We draw attention to Note No. 12 to the Statement, Valecha LM Toll Private Limited (VLMTPL), a step down subsidiary of the Holding Company and subsidiary of Valecha Infrastructure Limited (VIL) has been admitted to National Company Law Tribunal (NCLT) on 29.03.2019 in view of the insolvency petition filed by Axis Bank Limited under section 7 of the Insolvency and Bankruptcy Code, 2016 and consequently Interim Resolution Professional ('IRP') was appointed by the NCLT.

In view of the pendency / ongoing IRP proceedings with the NCLT Mumbai, any resultant impact on the net results of the group or the carrying value of assets and liabilities which may arise, if any, is presently not ascertainable.

Further, the Holding Company has also invested Rs. 0.05 crores in one of its Associate Company, financial statements of which are not consolidated by the management. Further, in the absence of detailed information and financial statements, we are unable to comment upon the need for impairment provisions, which may be required and the resultant impact on the net results for the quarter and six months ended 30th September, 2019, if any.



- b. We draw attention to Note No. 5 to the Statement, wherein the Holding Company has not provided for any regular interest for the quarter and six months ended 30th September, 2019 estimated at Rs. 20.11 Crores & Rs. 39.81 Crores for the quarter and six months ended 30th September, 2019 respectively as it expects certain relief in view of the proposed settlement proposals being pursued by the Management. The Holding Company has also not provided for any penal interest, if any, which may arise for defaults in repayments of various borrowings for similar reasons.

The Holding Company has not provided Interest on its outstanding payments to its Vendors registered under MSME.

The Holding Company has also not provided for any interest which may arise towards delayed payment of TDS amounting to Rs 3.77 crores as on 30th June 2019.

Had such provision towards regular interest and interest on delayed payment of TDS for the quarter and six months ended 30th September, 2019 been made in the financial results of quarter ended 30th September, 2019, the Group's net loss after comprehensive income for the quarter and six months ended 30th September, 2019 would have been Rs.47.99 crores and Rs 102.53 crores respectively. In absence of detailed computation of penal interest for default in repayment of Borrowings, interest for default in payment of TDS and interest for delayed payments to vendors registered under MSME, we are unable to comment on its resultant impact on the net results for the quarter ended 30th September, 2019.

- c. We draw attention to Note No. 7 to the Statement, the Holding Company has not repaid fixed deposits from deposit holders (including unpaid interest provided upto March 2017 of Rs. 2.58 crores) amounting to Rs. 30.73 crores as at September 30, 2019 as per the contractual terms. Pursuant to the NCLT order dated 03.04.2019, 11.06.2019 and 22.08.2019 and in terms of NCLAT order dated 24.10.2019 the matter has been adjudged. As per these orders, the proceeds from Canara Bank and refunds from Income Tax department will be exclusively utilised for repayment of deposits to deposit holders. The Holding Company has also not provided for regular interest on such deposits for the F.Y. 2017-18, F.Y.2018-19 and for the six months ended 30th September 2019 as per the terms of issue and acceptance of deposits. Further, the Holding Company has also not provided penal interest and fine as may be applicable under rule 21 of (Acceptance of Public Deposit) Rules, 2014. Non provision of such interest is not in compliance with Ind AS 23 "Borrowing Cost". In absence of detailed information and computation of such regular interest, penal interest and fine, if any, we are unable to comment upon its resultant impact on the net results for the quarter and six months ended 30th September, 2019.
- d. We draw attention to Note No. 8 to the Statement, the Holding Company has not evaluated expected credit losses for long outstanding Trade Receivables which includes Rs. 160.30 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under arbitration before various authorities.

The Holding Company has not evaluated impairment provisions for expected credit losses as required under Ind AS 109 "Financial Instruments" for loans extended to various related parties (other than subsidiaries, step down subsidiaries and associates) amounting to Rs. 39.33 crores and to others amounting to Rs. 184.29 crores as at September 30, 2019. In absence of detailed information, third party confirmation/reconciliation, we are unable to comment upon its recoverability and corresponding impact of impairment on the net results of the quarter and six months ended 30th September, 2019.



- e. We draw attention to Note No. 9 to the Statement, where the Holding Company in relation to its 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 30th September, 2019. Movement in accounts of such project sites, if any, is on account of payments / receipts being made by the Head Office division. In view of unavailability of detailed information, we are unable to comment upon the resultant impact, if any on net results for the quarter and six months ended 30th June 2019, had the said units been reviewed by us.
- f. The accounts of certain Banks, Loans & Advances given, Trade Receivables, Other Current Assets, Lenders' liability, Trade Payables and Other liabilities of the Holding Company are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the net results for the quarter and six months ended 30th September, 2019, the amounts whereof are presently not ascertainable.
- g. 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 six months ended 30th September, 2019, the amounts whereof are presently not ascertainable.
- h. We draw attention to Note No 13(a) to the 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. VEL has not recovered any interest in view of already weak financial position of VRL. Similarly, VRL has also not recovered any interest amount from VIL in view of already weak financial position of VIL.
- i. We draw attention to Note no 13(b) to the Statement, Valecha Kachchh Toll Roads Limited (VKTRL) (a Subsidiary Company) VKTRL continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses for the quarter ended 30th September, 2019 and in previous years. It has also continued to defaulted in repayment of its financial obligation including interest and the construction is going at very slow pace for balance, which has resulted into 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 the 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 December, 2019. VKTRL has also put a claim of Rs. 866.25 Crores on GSRDC during the previous year and is hopeful of recovering the same.

The Lenders of VKTRL has appointed a forensic auditor to verify the matters with regard to VKTRL. However, it was explained that the scope of audit and report including draft report has not been shared with VKTRL.

- j. The Consolidated financial results include Rs. 1.79 Crores as goodwill which has not been tested for impairment considering the financial stress and the sub-optimal operations of the Group as a whole.



The Statement includes the result of following Companies:

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

The Statement does not include the result of following Company:

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

5. Conclusion

Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the possible effects of the matters described in the Basis for Qualified Conclusion in paragraph 4 above and read with Emphasis of matters described below, nothing has come to our attention that causes us to believe that the Consolidated statement of unaudited 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, read with circular issued from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty Related to Going Concern:

We draw attention to Note No. 3 & Note No. 5 to the 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 other matters set forth in Note No 3 & Note No. 5 and point (k) above, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company and the Group's ability to continue as a going concern. However, the consolidated financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said Note.

7. Emphasis of matters:

- a) We draw attention to Note No. 10 to the Statement, where the Holding Company has stated that Other Current Assets as at September 30, 2019 includes Rs 34.42 crores receivable from various indirect taxes from Government Authorities which are pending for assessments. The Management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recovery.
- b) We draw attention to Note no. 11 to the Statement where the Holding Company has not paid / provided for managerial remuneration during the quarter ended 30th September 2019. However, the Holding Company is still awaiting and is hopeful of getting requisite approval from the secured lenders for waiver of recovery of managerial remuneration of Rs 3.08 Crores provided in earlier years in terms of the special resolution passed by the members in their Annual General Meeting.

Our conclusion is not modified in respect of this matter



8. Other Matter:

- a) We did not review the interim financial information of four subsidiaries (including one step down subsidiaries) and one associate included in the consolidated unaudited Ind AS financial results whose interim financial information reflect total assets of Rs. 550.30 Crores, total revenue of Rs. 7.52 crores and Rs. 12.99 crores for the quarter and six months ended September 30, 2019 respectively and total comprehensive loss of Rs. 16.07 crores and Rs. 44.68 crores for the quarter and six months ended September 30, 2019 respectively. These interim financial information have also not been reviewed by their auditors but have been certified by their respective Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on such Management certified interim financial information and the procedures performed by us as stated in paragraph 3 above.
- b) We have relied on the unaudited financial results furnished by the Holding Company's management with respect to two subsidiaries (including one step down subsidiary referred in point (a) to section "Basis for qualified conclusion" referred above) included in the consolidated Ind AS financial results whose interim financial information reflect total assets of Rs. 213.87 Crores, total revenue of Rs.5.02 crores and Rs.9.76 crores for the quarter and six months ended September 30, 2019 respectively, and total comprehensive loss of Rs. 6.19 crores and Rs. 11.75 crores for the quarter and six months ended September 30, 2019 respectively. The interim unaudited financial results of these companies 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 / Resolution Professional of respective Companies. Our conclusion on the financial results, in so far as relates to the amount and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements.
- c) Consolidated figures for the quarters ended 30th September, 2018 and half year ended 30th September 2018 as reported in these financial results have been approved by the Board of Directors of Valecha Engineering Ltd and have not been subjected to review since the requirement of submission of quarterly and half yearly consolidated financial results has become applicable only from 1st April 2019.
- d) 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: 19143503AAAAPD1169

Place: Mumbai
Date: 14th November, 2019

VALECHA ENGINEERING LIMITED

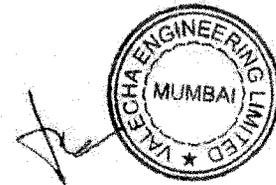


[An ISO 9001:2015 Company] CIN : L74210MH1977PLC019535
 Regd. Office : Valecha Chambers, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.
 Email : ho@valecha.in Website : valechaeng.com

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2019

(₹ in Crores) Except EPS

Sr. No.	PARTICULARS	Consolidated					
		For the quarter ended on			For the half year ended on		For the year ended on
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
1	Income						
	(a) Revenue from Operations	58.23	67.13	29.40	125.36	72.46	209.72
	(b) Other Income	0.88	1.46	1.47	2.34	4.11	17.67
	Total Income	59.11	68.59	30.87	127.70	76.57	227.39
2	Expenses						
	a. Construction Expenses	40.68	60.03	21.60	100.71	56.00	160.15
	b. Changes in inventories	5.44	(4.92)	(1.10)	0.52	3.32	13.96
	c. Employees Benefits Expense	1.74	1.93	1.76	3.67	4.22	9.03
	d. Finance costs	20.88	32.30	51.32	53.18	100.64	126.15
	e. Depreciation and amortization Expenses	9.34	9.39	10.14	18.73	20.23	40.07
	f. Other Expenses	5.84	4.23	8.73	10.07	13.51	28.29
	Total Expenses	83.92	102.96	92.37	186.88	197.92	377.65
3	Profit / (Loss) before share of net profit/(loss) of an associate/ a joint venture and Exceptional Items (1-2)	(24.81)	(34.37)	(61.50)	(59.18)	(121.35)	(150.26)
4	Share of net profit/(loss) of an associate/ a joint venture	-	-	-	-	-	(0.003)
5	Profit / (Loss) before Exceptional Items and tax (3+4)	(24.81)	(34.37)	(61.50)	(59.18)	(121.35)	(150.26)
6	Exceptional Items	-	-	-	-	-	-
7	Profit / (Loss) before tax (5-6)	(24.81)	(34.37)	(61.50)	(59.18)	(121.35)	(150.26)
8	Tax Expense						
	(a) Current Tax (Including earlier year taxation)	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
9	Profit / (Loss) for the Period (7-8)	(24.81)	(34.37)	(61.50)	(59.18)	(121.35)	(150.26)
10	Other Comprehensive Income (OCI)						
	(a) i. Items that will not be reclassified to profit or loss	(0.07)	(0.05)	0.19	(0.12)	(0.12)	(0.14)
	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	0.50	(0.15)	(0.56)	0.35	(0.56)	1.39
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	0.43	(0.20)	(0.37)	0.23	(0.68)	1.25
11	Total Comprehensive Income for the period (9+10)	(24.38)	(34.57)	(61.87)	(58.95)	(122.03)	(149.01)
12	Net Profit/(Loss) attributable to:						
	Shareholders of the Company	(18.44)	(21.66)	(49.59)	(40.10)	(97.55)	(102.20)
	Non-Controlling Interest	(6.37)	(12.71)	(11.91)	(19.08)	(23.00)	(17.90)
13	Other Comprehensive Income attributable to:						
	Shareholders of the Company	0.43	(0.20)	(0.37)	0.23	(0.68)	1.25
	Non-Controlling Interest	-	-	-	-	-	-
14	Total Comprehensive Income attributable to:						
	Shareholders of the Company	(18.01)	(21.86)	(49.96)	(39.87)	(98.23)	(101.03)
	Non-Controlling Interest	(6.37)	(12.71)	(11.91)	(19.08)	(23.80)	(47.98)
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						(643.92)
17	Earning Per Share (of ₹ 10/- each) (not annualised):						
	(i) Basic earnings (loss) per share	(11.01)	(15.26)	(27.30)	(26.27)	(53.86)	(66.69)
	(ii) Diluted earnings (loss) per share	(11.01)	(15.26)	(27.30)	(26.27)	(53.86)	(66.69)
	See accompanying note to the Financial Results						



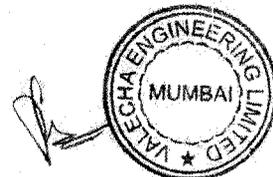
Notes:

1. The above Unaudited Financial Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on November, 2019.
2. The Company is engaged in "Construction Activity" and there are no other reportable segments under Ind AS 108 "Operating Segments".
3. 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 OTS / Restructuring plan by banks, cost reduction measures and participating 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.
4. This result has been prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.
5. The Company's borrowing facilities with various banks/financial institutions and NBFC's have continued to remain under NPA classification. The Company has not provided for regular interest estimated at Rs.20.11 crores and Rs.39.81 crores for the quarter and six months ended 30th September, 2019 respectively on its various such borrowings, as it expects certain relief in view of the ongoing settlement proposals with the lenders being pursued by the Management. The treatment of the above adjustment in the financial results however does not affect the lenders' right to recover such regular interest and consequently the Company's liability to pay such interests.

As stated above, since the Company expects certain reliefs, it has not provided for any penal interest, amount of which is presently not ascertainable, which may arise for default in repayment of borrowings.

Further, the Company has also not provided for interest of Rs. 3.77 Crores as on 30th September, 2019, which may arise on delayed payment of TDS.

6. The Company has similar to Financial Year 2018-19 continued to not recognize Guarantee Fees / Commissions during the period April 1, 2019 to September 30, 2019 in view of the already weak financial position of such subsidiaries and step down subsidiaries. No reversals/impairment have been done for the guarantee fees / commission already recognized upto March 31, 2018.
7. The Company has not repaid deposits (including unpaid interest provided upto March 2017 of Rs. 2.58 crores) amounting to Rs. 30.73 crores as at Sep 30, 2019 as per the contractual terms. Pursuant to the NCLT order dated 03.04.2019, 11.06.2019 and 22.08.2019 and in terms of NCLAT order dated 24.10.2019 the matter has been adjudged. On receipt of the proceeds from Canara Bank and from Income Tax department which will be exclusively utilised for repayment of fixed deposits as per above 3 orders of NCLT, Mumbai.
8. The Company has not evaluated expected credit losses for long outstanding Trade Receivables which includes Rs. 160.30 crores pertaining to additional claims raised during earlier years due to price escalation and various other reasons which are under arbitration 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. Hence, the Board has decided not 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 associates of the Company) amounting to Rs. 3.56 crores and to others amounting to Rs. 161.87 crores as at 30th September, 2019.

9. 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 30th September, 2019. Movement in accounts of such project sites, if any, is on account of payments / receipts being made by the Head Office division.
10. Other Current Assets as at September 30, 2019 includes Rs 34.42 crores receivable towards various indirect taxes from Government Authorities which are pending for assessments. The Management is confident of ultimate recovery of such amounts.
11. On 29/9/2018, the shareholders accorded their approval for the waiver of recovery of managerial remuneration in respect of three Directors. 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 for waiver of recovery of managerial remuneration in terms of the special resolution passed by the members in their Annual General Meeting held on 29/9/2018.
12. Valecha LM Toll Private Limited (VLMTPL), a step down subsidiary of the Company and subsidiary of Valecha Infrastructure Limited (VIL) has been admitted to National Company Law Tribunal (NCLT) on 29.03.2019 in view of the insolvency petition filed by Axis Bank Limited under section 7 of the Insolvency and Bankruptcy Code, 2016 and consequently Interim Resolution Professional ('IRP') was appointed by the NCLT.

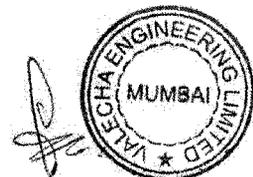
VIL has not impaired its Non-Current Investments of Rs. 37.31 Crores in the equity shares of VLMTPL and has consolidated the unaudited accounts of VLMTPL on the basis of provisional accounts basis in view of the events explained above. Accordingly, any resultant impact which may arise as a result of such impairment and consequential impact on the impairment of Company's investment in VIL as a result of the events explained above has not been computed. The Company has also provided Corporate guarantees amounting to Rs. 229.58 crores to the lenders of VLMTPL.

13. 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 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. VRL has not recovered any interest in view of already weak financial position of VRL. Similarly, VRL has also not recovered any interest amount from VIL in view of already weak financial position of VIL.



b) Valecha Kachchh Toll Roads Limited (VKTRL)

i. VKTRL continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses for the quarter ended 30th September, 2019 and in previous years. It has also continued to default in repayment of its financial obligation including interest and the construction is going at very slow pace for balance, which has resulted into 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 December, 2019. VKTRL has also put a claim of Rs. 866.25 Crores on GSRDC during the previous year and is hopeful for getting the same.

ii. The Lenders of VKTRL has appointed a forensic auditor to verify the matters with regard to VKTRL. However, it was explained that the scope of audit and report including draft report has not been shared with VKTRL.

14. Consolidated results for the quarter ended 30th September, 2019 and Year ended 31st March, 2019 includes results of following Subsidiaries and Associate Companies:

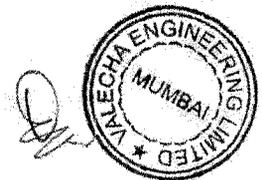
S. No.	Name of Company	Relation
1	Valecha Infrastructure Limited	Wholly Owned Subsidiary Company
2	Professional Realtors Private Limited	Wholly Owned Subsidiary Company
3	Valecha Badwanl Sendhwa Tollways Limited	Step-Down Subsidiary Company
4	Valecha Kachchh Toll Roads Limited	Subsidiary Company
5	Valecha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

The financial results of Companies at S. No. 1 to 5 above are consolidated on the basis of respective Company's Management certified results and have not been subjected to audit / review by their respective auditors.

In case of Valecha LM Toll Private Limited, Resolution Professional has been appointed and the suspended directors are not authorised to approve the results. Consent of Resolution Professional has been obtained to include the results on a provisional basis pending the review of Resolution Professional.

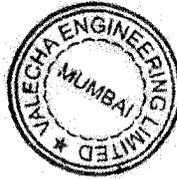
In case of Valecha International FZE, Holding Company's Management certified results have been considered for consolidation.

The Company could not consolidate financial results of "Aryavrat Tollways Private Limited", an Associate Company, as it has not yet received its results.



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. Effective 1 April 2019, the Company is required to adopt Ind AS 116 on "Leases", the Company is evaluating the impact of Ind AS 116 – "Leases" on the financial results. However, Management is confident that the impact will not be significant/material.
17. 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



A handwritten signature in black ink, appearing to read "Lalna B. Takekar".

LALNA B. TAKEKAR

DIRECTOR

DIN : 08111805

DATE : NOVEMBER 14, 2019

PLACE : MUMBAI



VALECHA ENGINEERING LIMITED



(An ISO 9001-2008 Company) CIN : L74210MH1977PLC019535

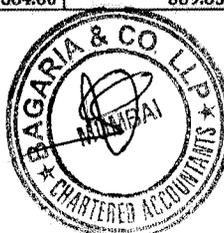
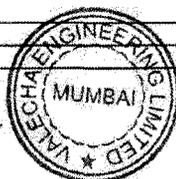
Regd. Office : Valecha Chambers, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai - 400 053.

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

STANDALONE AND CONSOLIDATED BALANCE SHEET

₹ in Crores

Particulars	STANDALONE		CONSOLIDATED	
	As at 30th September 2019	As at 31st March 2019	As at 30th September 2019	As at 31st March 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non Current Assets				
(a) Property, Plant & Equipment	10.85	12.06	11.02	12.30
(b) Capital Work in Progress	-	-	-	-
(c) Investment Property	5.56	5.62	5.56	5.62
(d) Goodwill	-	-	1.80	1.80
(e) Other Intangible Assets	-	-	360.03	377.40
(f) Intangible Assets under development	-	-	199.50	188.00
(g) Financial Assets				
(i) Investments	42.10	42.12	0.12	0.15
(ii) Loans	-	-	-	-
(iii) Other Financial Assets	31.83	32.16	31.83	32.16
(h) Deferred Tax Assets (Net)	-	-	-	-
(i) Other Non-Current Assets	20.36	18.08	21.05	18.67
Total Non Current Assets	110.70	110.04	630.91	636.10
Current Assets				
(a) Inventories	0.71	1.23	0.71	1.23
(b) Financial Assets				
(i) Other Investments	-	-	-	-
(ii) Trade Receivables	303.84	309.21	301.95	301.66
(iii) Cash & Cash Equivalents	2.43	7.08	18.50	19.59
(iv) Bank Balances other than (iii) above	4.69	4.97	4.68	4.97
(v) Loans	423.86	418.96	223.64	218.71
(vi) Other Financial Assets	2.77	2.70	5.00	3.20
(c) Other Current Assets	35.40	35.37	36.20	36.18
Total Current Assets	773.90	779.60	591.34	505.34
Total Assets	884.60	889.65	1,222.45	1,221.65
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	22.53	22.53	22.53	22.53
(b) Other Equity	10.29	9.10	(527.56)	(487.69)
Equity Attributable to Shareholders of the Company	32.82	31.63	(505.03)	(465.16)
Non-Controlling Interest	-	-	(175.31)	(156.23)
Total Equity	32.82	31.63	(680.34)	(621.39)
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	27.08	27.08	382.79	383.81
(ii) Trade Payables	-	-	-	-
(ii) Other Financial Liabilities	89.16	88.29	50.03	51.65
(b) Provisions	-	-	-	-
(c) Deferred Tax Liabilities (Net)	-	-	3.77	3.77
(d) Other Non-Current Liabilities	-	-	35.08	30.98
Total Non Current Liabilities	116.24	115.37	471.67	470.21
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	318.26	319.88	377.85	370.80
(ii) Trade Payables	-	-	-	-
- Total outstanding dues of micro enterprises and small enterprises; and	2.69	2.69	2.69	2.69
- Total outstanding dues of creditors other than micro enterprises and small enterprises	97.36	99.21	104.51	102.57
(iii) Other Financial Liabilities	282.93	282.94	911.67	854.01
(b) Other Current Liabilities	32.91	36.65	33.01	41.47
(c) Provisions	1.39	1.29	1.39	1.29
Total Current Liabilities	735.54	742.65	1,431.12	1,372.83
Total Equity & Liabilities	884.60	889.65	1,222.45	1,221.65

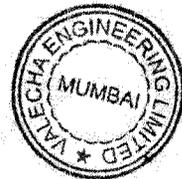


VALECHA ENGINEERING LIMITED

Standalone statement of Cash Flow for the half year ended September 30, 2019

(Rupees in Crores)

Particulars	Half Year Ended	Half Year Ended	Year Ended March
	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	31, 2019 (Audited)
A. Cash flow from Operating activities			
Loss Before Tax	0.96	(40.47)	1.16
Add / (Deduct) Adjustment for :			
Depreciation and Amortization Expense	1.29	2.78	5.18
Loss / (Profit) on sale of property, plant & equipments, Investment Property (net)	-	-	0.80
Plant and Equipments Written Off	-	-	4.02
Finance Cost	0.27	38.63	1.28
Guarantee Fees	-	(6.79)	-
Interest Income	(1.54)	(1.70)	(4.79)
Fair Value of Financial Instruments	-	(0.12)	(0.29)
Re-measurement of defined benefit plans	(0.10)	(0.56)	0.15
Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	0.35	-	1.39
Rental Income from Investment Properties	(0.69)	(0.54)	(1.25)
Operating Profit/ (Loss) before Working Capital changes	0.54	(8.77)	7.65
Changes in Working Capital:			
Adjustment for (increase) / decrease in operating assets:			
Decrease in Inventories	0.52	3.32	13.96
(Increase)/ Decrease in Trade Receivable	5.37	24.74	20.14
(Increase) / Decrease Loans	(4.91)	(30.13)	(20.25)
(Increase)/ Decrease in other current assets and non-current financial assets	0.42	7.65	(5.71)
Adjustment for (increase) / decrease in operating liabilities:			
Increase/ (Decrease) in Trade Payables	(1.84)	(31.92)	(51.28)
Increase/(Decrease) in other current and financial liabilities (non-current)	(2.88)	32.40	(45.99)
Increase/ (Decrease) in Provisions	0.10	0.51	0.38
Cash Generated From / (used in) Operations	(2.68)	(2.20)	(81.10)
Direct Taxes (Paid)	(2.28)	(2.23)	9.23
Net Cash Flow from operating activities (A)	(4.96)	(4.43)	(71.87)
B. Cash Flow from investing activities			
Capital Expenditure for Property, Plant and Equipments, Investments Property, Intangible Assets including CWIP	(0.02)	(0.01)	(0.27)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	-	0.23	6.18
Investments in subsidiaries	-	-	(0.02)
Sale of non-current and current investments	-	-	26.88
Interest received	1.54	1.70	4.79
Rental Income from investment property	0.69	0.54	1.25
Net Cash flow from investing activities (B)	2.21	2.46	38.81
C. Cash flow from financing activities			
Repayment of Debenture	-	-	(1.11)
Proceeds from/ (Repayment) of long term borrowings	-	-	36.50
Net increase / (Decrease) in Working Capital borrowings	(1.63)	38.34	-
Finance Cost	(0.27)	(38.63)	(1.28)
Dividend and Tax on dividend paid	-	-	-
Net Cash flow used in financing activities (C)	(1.90)	(0.29)	34.11
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(4.65)	(2.26)	1.04
Cash and Cash Equivalent at the beginning of the year	7.08	6.04	6.04
Cash and Cash Equivalent at the end of the year	2.43	3.78	7.08
Note: Figures in brackets represents cash outflow			



VALECHA ENGINEERING LIMITED
Consolidated Statement of Cash Flow For Half Year Ended September 30, 2019
(Rupees in Crores)

Particulars	Half Year Ended	Half Year Ended	Year Ended
	September 30, 2019	September 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Audited)
A. Cash flow from Operating activities			
Loss Before Tax	(59.18)	(121.35)	(150.26)
Add / (Deduct) Adjustment for:			
Depreciation and Amortization Expense	18.73	20.23	40.07
Loss / (Profit) on sale of property, plant & equipments, Investment Property (net)	-	0.05	0.80
Plant and Equipment Written Off	-	-	4.02
Finance Cost	53.17	100.64	126.16
Interest Income	(1.54)	(1.70)	(4.79)
Interest in the Associate adjusted against the investment	-	-	0.003
Fair Value of Financial Instruments	(0.02)	(0.12)	(0.29)
Re-measurement of defined benefit plans	(0.10)	(0.56)	0.15
Re-measurement of gain/(loss) of investment/advances in foreign subsidiary	0.35	-	1.39
Rental Income from Investment Properties	(0.69)	(0.54)	(1.25)
Operating Profit/ (Loss) before Working Capital changes	10.72	(3.35)	15.99
Changes in Working Capital:			
Adjustment for (increase) / decrease in operating assets:			
Decrease in Inventories	0.52	3.32	13.96
(Increase)/ Decrease in Trade Receivable	(0.29)	32.66	25.70
(Increase) / Decrease Loans	(4.93)	(34.90)	(42.28)
(Increase)/ Decrease in other current assets and non-current financial assets	(2.06)	(3.97)	(2.37)
Adjustment for (increase) / decrease in operating liabilities:			
Increase/ (Decrease) in Trade Payables	1.97	(36.24)	(51.76)
Increase/(Decrease) in other current and financial liabilities (non-current)	51.69	336.52	290.50
Increase / (Decrease) in Provisions	0.10	0.51	0.38
Cash Generated From / (used in) Operations	57.72	294.56	250.13
Direct Taxes (Paid)	(2.38)	(1.48)	9.16
Net Cash Flow from operating activities (A)	55.35	293.08	259.29
B. Cash Flow from Investing activities			
Capital Expenditure for Property, Plant and Equipments, Investments Property, Intangible Assets including CWIP	(11.53)	(39.66)	(3.37)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	-	0.23	6.18
Investment in shares	-	-	(0.001)
Proceeds from Sale of non-current and current investments	-	0.02	26.88
Interest received	1.54	1.70	4.79
Rental Income from investment property	0.69	0.54	1.25
Net Cash flow from Investing activities (B)	(9.29)	(37.17)	35.73
C. Cash flow from financing activities			
Proceeds from/ (Repayment) of long term borrowings	(1.03)	(231.71)	(239.04)
Net increase / (Decrease) in Working Capital borrowings	7.05	75.93	79.38
Finance Cost	(53.17)	(100.64)	(126.16)
Net Cash flow used in financing activities (C)	(47.15)	(256.42)	(285.82)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(1.09)	(0.51)	9.20
Cash and Cash Equivalent at the beginning of the year	19.59	10.39	10.39
Cash and Cash Equivalent at the end of the year	18.50	9.87	19.59

Note: Figures in brackets represents cash outflow

