

**Annual Report  
2013-2014**

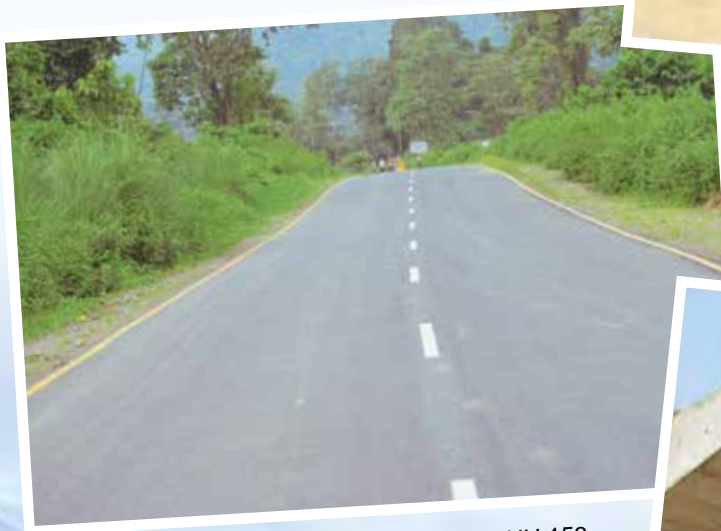
**VALECHA ENGINEERING LIMITED**



Kohinoor, Dadar



Cut and Cover - NW Railway Tunnel  
Lalsot, Jaipur (Rajasthan)



Ledo - Pangsua Pass section 7 NH 153,  
Arunachal Pradesh



PSC Girder launching at Varachha, FOB, Surat

**Board of Directors**

Anil Harish	— <i>Chairman</i>
J. K. Valecha	— <i>Managing Director</i>
D. H. Valecha	— <i>Whole-time Director</i>
U. H. Valecha	— <i>Whole-time Director</i>
G. Ramachandran	— <i>Director</i>
Arvind Thakkar	— <i>Director</i>

**Company Secretary**

Kavita Valecha Sharma

**Auditors:**

M/s. D. M. Jani & Co.  
Chartered Accountants

**Consortium Bankers:**

State Bank of India  
Canara Bank  
Axis Bank Ltd.  
Lakshmi Vilas Bank Ltd.

**Solicitors:**

M/s. Bharucha & Partners  
M/s. Luthra & Luthra

**Registrars and Transfer Agents:**

TSR Darashaw Limited  
6-10 Haji Moosa Patrawala Ind. Estate  
20, Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai-400 011.  
CIN: U67120MH1985PTC037369  
Tel. : 66568484  
Fax : 66568494

**Registered Office:**

“Valecha Chambers”, 4th Floor,  
Andheri New Link Road,  
Andheri (West), Mumbai-400 053.  
CIN: L74210MH1977PLC019535  
Tel. : 2673 3625 to 29  
Fax : 2673 3945  
E-mail: ho@valecha.in/investor.relations@valecha.in  
website: www.valechaeng.com

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## NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Monday, 29th September, 2014 at 4.00 p.m. at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the statement of Profit & Loss Account for the financial year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in the place of Mr. Dinesh H. Valecha (DIN: 00012945) who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** M/s. D. M. Jani & Co., Chartered Accountants (Registration No. 104047W), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors/any committee of Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. To appoint Mr. Anil Harish (DIN: 00001685) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Anil Harish (DIN: 00001685), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto one year commencing from April 1, 2014, not liable to retire by rotation.”

6. To appoint Mr. G. Ramachandran (DIN: 00102506) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or

re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. G. Ramachandran (DIN: 00102506), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation.”

7. To appoint Mr. Arvind Thakkar (DIN: 02208108) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Arvind Thakkar (DIN: 02208108), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation.”

8. To approve the payment of remuneration to Non-Executive Directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of all previous resolution passed in this behalf, in accordance with the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as “the Act”) read with the Articles of Association of the Company, the Directors of the Company (including the alternate Directors), who are neither in the whole time employment of the Company nor are the Managing Director(s)/Manager of the Company, be paid, in respect of each of the financial years of the Company, for a period of five consecutive years commencing from 1st April, 2014, a remuneration by way of commission not exceeding an amount equal to one per cent of the net profits of the Company as computed under Section 198 of the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to decide, from time to time, the quantum and manner of distribution of the amount of commission to one or more Directors within the limits prescribed and in terms of the Act.

**RESOLVED FURTHER THAT** the aforesaid commission shall be exclusive of the fees payable to such Directors for attending the meetings of the Board and the Committees thereof.

**RESOLVED FURTHER THAT** consent of the Company be and the same is hereby accorded for payment of the aforesaid commission to such Directors who may be relatives/partners of other Directors.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution”.

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** for borrowings power of the Board of Directors:

“**RESOLVED THAT** in supersession of all previous resolutions passed in this behalf and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), or re-enactments thereto for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution and that the power to delegate such authority to any person(s)], to borrow any sum or sums of money, from time to time for the purpose of business of the Company, upon such terms and conditions and with/without security, as the Board of Directors may, in its absolute discretion, think fit and proper, notwithstanding the fact that the money or monies to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 900 crores (Rupees nine hundred crore only) over and above the aggregate of the paid-up share capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/Officers, one or more Director/Whole-time Director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this Resolution.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** for creation of charges:

“**RESOLVED THAT** in supersession of all previous resolutions passed in this behalf, and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 the rules made thereunder (including any statutory modification(s) or re-enactments thereto for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution and that the power to delegate such authority to any person(s)], to create such charges and/or mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company’s moveable and immoveable properties and assets, present and future, comprised in any undertaking or undertakings of the Company, as the case may be, in favor of the Lenders viz. financial institutions/banks/insurance companies or person or persons, and/or trustees for the holders of debentures/bonds/other instruments to secure the repayment of loan/borrowings sanctioned and/or to be sanctioned by them from time to time for a sum not exceeding ₹ 900 crores (Rupees nine hundred crore only) over and above the aggregate of the paid up share capital of the Company and its free reserves and apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business as per the approval of shareholders under Section 180 (1)(c) of the Companies Act, 2013 and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of such loans/borrowings as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/Officers, one or more Director/Managing Director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this Resolution.”

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (the “Act”) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government if required, consent of the members be and is hereby accorded to Mr. Kapil Valecha, - Sr. Executive, a relative of Director of the Company to hold and continue to hold an office or place of profit as Sr. Executive of the Company at a remuneration not exceeding ₹ 1,50,000/- (Rupees one lakh fifty thousand only) per month including allowances, perquisites and benefits as per the policies of the Company w.e.f. 1st June, 2014.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things (including delegate such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

By order of the Board  
KAVITA VALECHA SHARMA  
*Company Secretary*

Place : Mumbai  
Date : 13th August, 2014

*Registered Office:*  
“Valecha Chambers”  
4th Floor, Plot No. B-6,  
Andheri New Link Road,  
Andheri (West),  
Mumbai - 400 053.  
CIN: L74210MH1977PLC019535

**NOTES:**

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent

herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority, as applicable.

- (B) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 2014 to Monday, 29th September, 2014 (both days inclusive)
- (C) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the meeting is annexed hereto. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting.
- (D) The dividend declared at the meeting, will be made payable on or before 28th October, 2014 as applicable, in respect of shares held in physical form to those members whose names appear on the Register of Members on Tuesday, 23rd September, 2014. The dividend in respect of shares held in the electronic form will be payable to the beneficial owners of the shares as on Tuesday, 23rd September, 2014.
- (E) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends upto and including the financial year ended on 31st March, 2006 have been transferred to the Investor Education and Protection Fund of Central Government.

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to Investors Education and Protection Fund (the Fund) set up by the Government of India and no payment shall be made in respect of any such claims by the fund. Members who have not yet encashed their dividend for the financial year ended 31st March, 2007 onwards are requested to write to the Company’s Registrar and Transfer Agents, TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

- (F) Members are requested to notify immediately any change in their address to the Company and details about their Bank Account Number, Name of the Bank, Bank’s Branch name and address to enable the Company to draw dividend payable accordingly. In respect of shares held in electronic form, the instruction regarding change of address should be given directly to the Depository Participants; the Company cannot entertain any such request directly from the shareholders.
- (G) As the equity shares of the Company are compulsorily traded in demat form, members holding equity shares in physical form are requested to get the shares converted in demat form.

- (H) Members who have not registered their e-mail address so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with TSR Darashaw Limited, Registrar and Share Transfer Agent of the Company.
- (I) To avoid loss of dividend warrants in transit and undue delay in receipt thereof, members are advised to avail the facility for receipt of dividends through National Electronic Clearing Service (NECS). The NECS facility is available at the locations identified by Reserve Bank of India from time to time which covers most of the cities and towns. Members holding shares in physical form and who have not submitted the NECS details and desirous of availing NECS facility are requested to send to the Share Transfer Agents the details such as: the name of the Shareholder, Bank through which account held, Bank Account Number and MICR details immediately and wherever possible the request shall be acceded to.
- (J) Any member requiring further information as regards accounts at the meeting is requested to send queries in writing to the Company's Registered Office so as to reach on or before 22nd September, 2014 so that the information required can be made available at the meeting.
- (K) Members/proxies should bring their attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
- (L) Pursuant to the provisions of Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with their DP or the Company. The Notice of the AGM alongwith Annual Report for the year ended 31st March, 2014 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless a member has requested for a physical copy of the same. Physical copy of the Annual Report are being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended 31st March, 2014 is available on the Company's website [www.valechaeng.com](http://www.valechaeng.com).
- (M) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of electronic voting ('e-voting') in respect of the Resolution proposed at AGM.
- E-voting instructions:**
- The procedure with respect to e-voting is provided below:-
- A. **In case of Members who receive the Notice in electronic mode:**
- (a) Open e-mail and open PDF file viz. '**VALECHA e-voting.pdf**' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com> and click on 'Shareholder – Login'.
- (c) Insert user ID and password as initial password stated in (a) above. Click on 'Login'.
- (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits/characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
- (e) Home page of e-voting opens. Click on 'e-voting: Active Evoting Cycles' and select the Electronic Voting Event Number (EVEN) of Valecha Engineering Limited.
- (f) Now you are ready for e-voting as 'Cast Vote' page opens.
- (g) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted.
- (h) Upon confirmation, the message 'Vote cast successfully' will be displayed. Thereafter you will not be allowed to modify your vote.
- (i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF/JPG format) of the relevant Board Resolution/appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested, to the Scrutinizer through e-mail at [devang@djvyas.com](mailto:devang@djvyas.com) with a copy marked to NSDL's e-mail ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case of Members who receive the Notice by post:
- (a) User ID and initial password is provided in the admission slip for the AGM.
- (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to cast your vote.
- C. Members already registered with NSDL for e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to cast your vote.
- D. The period for e-voting starts at 9.00 a.m. on Monday, 22nd September, 2014 and ends at 6.00 p.m. on Wednesday, 24th September, 2014. E-voting shall be disabled by NSDL at 6.00 p.m. on 24th September, 2014. During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date 22 August, 2014 may cast their vote electronically.
- E. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com). You may also address your queries relating to e-voting to the e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### F. General Information

- (a) Every Client ID No./Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on Friday, 22nd August, 2014, the cut-off date.
- (c) E-voting right cannot be exercised by a proxy.
- (d) Mr. Devang J. Vyas, Practicing Company Secretary (Membership No. FCS 2874) has been appointed as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes caste in favour of or against, if any, forthwith to the Chairman of the Company.
- (f) The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company [www.valechaeng.com](http://www.valechaeng.com) and on the NSDL website <https://www.evoting.nsdl.com> within two working days of the passing of the resolution at the 37th AGM of the Company on 29th September, 2014 and also communicated to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

By order of the Board

KAVITA VALECHA SHARMA  
Company Secretary

Place : Mumbai

Date : 13th August, 2014

Registered Office:

“Valecha Chambers”

4th Floor, Plot No. B-6,  
Andheri New Link Road,  
Andheri (West),

Mumbai - 400 053.

CIN: L74210MH1977PLC019535

## ANNEXURE TO NOTICE

### *Explanatory Statement as required under Section 102(1) of the Companies Act, 2013.*

#### **Item Nos. 5, 6 and 7**

Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are Independent Directors of the Company.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for one year in respect of Mr. Anil Harish and five consecutive years in respect of Mr. G. Ramachandran and Mr. Arvind Thakkar w.e.f. 1st April, 2014.

Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members' alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar for the office of Directors of the Company.

The Company has also received declarations from Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are independent of the management.

Brief resume of Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are interested in the resolutions set out respectively at Item Nos. 5, 6, and 7 of the Notice with regard to their respective appointments.



The relatives of Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar may be deemed to be interested in the resolutions set out respectively at Item Nos. 5, 6, and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 5, 6, and 7 of the Notice for approval by the shareholders.

#### **Item No. 8**

The role of Non-Whole-Time Directors is significant in achieving good performance and establishment of good governance. The responsibility of the Non-Whole-Time Directors has increased considerably over the years. In view of the dynamic changes in Company law and the Corporate Governance norms, there is a greater demand on the Non-Whole-Time Directors in terms of time and preparation for the Board and Committee meetings. Keeping in view the requirement in terms of time and quality on the part of the Non-Whole-Time Directors, it is necessary to remunerate them appropriately.

Considering the enhanced role and increased responsibilities of the Directors as stated above, it is proposed that the Directors of the Company (including alternate Directors), who are neither in the whole-time employment of the Company nor are the Managing Director(s)/Manager of the Company, be paid, for each of the financial years, commencing from the 1st of April, 2014, a remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013 ("the Act") and the applicable Rules, if any, thereunder. This remuneration will be distributed amongst all or some of the Directors in accordance with the approval given by the Board of Directors and subject to any other applicable requirements under the Act and the Rules thereunder. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or the Committees thereof or for any other purpose whatsoever, as may be decided by the Board and the reimbursement of expenses for participating in the Board and other meetings.

Accordingly, approval of the Members is sought by way of a Special Resolution for the payment of remuneration, by way of commission, to the Directors of the Company (including alternate Directors), who are neither in the whole-time employment of the Company nor are the Managing Director(s)/Manager of the Company, for financial years commencing from the 1st April, 2014, as set out in the Resolution under Item No. 8 of the Notice. The Board commends the Resolution for approval by the shareholders of the Company.

The Managing Director, Whole-Time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, in the resolution set out in Item No. 8 of the Notice. Directors, other than the Non-Whole-Time Directors of the Company, may be deemed to be concerned or interested in the Special Resolution set out therein to the extent of the remuneration, by way of commission, that may be received by them.

#### **Item Nos. 9 & 10**

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital of the Company and its free reserves. The shareholders pursuant to earlier resolution, had accorded their consent to the Board of Directors for borrowing up to ₹ 600 crores. Taking into consideration the requirements of additional funds to meet the cost of the Company's capital expenditure as also additional working capital requirement of the Company, it is expected that the limit of ₹ 600 crores sanctioned by the shareholders is likely to be exceeded.

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors of a Company shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

Further, since the Company is expanding its business capacities, there may be a need to increase the Company's aggregate borrowings. Hence, the Board of Directors feels that it will be necessary for the Company to raise further moneys from various sources which may exceed the existing borrowing limit as stated above. The consent of the Shareholders is therefore, sought by way of a Special Resolution in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013 to enable the Board of Directors to borrow monies subject to a limit of ₹ 900 crores. (Rupees nine hundred crores only) in addition to the aggregate of the Company's paid-up share capital and its free reserves as mentioned in the resolution. The Resolution under Item No. 9 is to obtain the consent of the shareholders for this purpose.

The proposed borrowings of the Company, may, if necessary, have to be secured by way of mortgage/charge on immoveable properties and/or hypothecation of the moveable properties of the Company both present and future, as may be agreed to with the concerned financial/investment institutions, bank or banks or the relevant party concerned.

Since the mortgage and/or charge/hypothecation to be created as aforesaid may attract the provisions of Section 180 (1) (a) of Companies Act, 2013, it is deemed advisable to obtain the approval of the members by way of a Special Resolution under the provisions of the above Section of the said Act. The Directors accordingly commend the Resolution in Item Nos. 9 & 10 of the accompanying Notice for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 9 & 10.

### **Item No. 11**

Mr. Kapil J. Valecha - Sr. Executive of the Company has been rendering valuable services to the Company since 1st June, 2014. Mr. Kapil Valecha is a Civil Engineer with a MBA degree from Boston University, USA. He is the son of Mr. Jagdish K. Valecha, Managing Director of the Company. As per the requirements of Section 188 of the Companies Act, 2013, appointment of Mr. Kapil Valecha, holding office or place of profit in the Company, require approval of the members by way of a Special Resolution.

Mr. Kapil Valecha shall be entitled for a remuneration not exceeding ₹ 1,50,000/- (Rupees one lakh fifty thousand only) per month including allowances, perquisite and benefits as per the policies of the Company w.e.f. 1st June, 2014.

Except Mr. Jagdish Valecha, Managing Director and Mr. Karan Valecha relative of Director, none of the other Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

By order of the Board  
KAVITA VALECHA SHARMA  
*Company Secretary*

Place : Mumbai  
Date : 13th August, 2014

*Registered Office:*  
"Valecha Chambers"  
4th Floor, Plot No. B-6,  
Andheri New Link Road,  
Andheri (West),  
Mumbai - 400 053.

## DIRECTORS' REPORT

To The Members,

The Directors present their Thirty Seventh Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2014.

	(₹ in lacs)	
	2013-2014	2012-2013
<b>1. Financial Results: (Standalone Basis)</b>		
Net Sales/Income from Operations	<b>67027.06</b>	73971.97
Other Income	<b>1372.79</b>	1444.76
	<b>68399.85</b>	75416.73
Less: Total Expenditure	<b>60353.51</b>	67562.37
Gross Profit Before Interest Depreciation, Taxes and Extraordinary Income	<b>8046.34</b>	7854.36
Less: Interest	<b>4166.06</b>	3749.56
Profit Before Depreciation, Tax and Extraordinary Income	<b>3880.28</b>	4104.80
Less: Depreciation	<b>1108.06</b>	1060.44
Profit Before Extraordinary Income & Tax	<b>2772.22</b>	3044.36
Add: Extraordinary Income	—	—
Profit Before Tax	<b>2772.22</b>	3044.36
Provision for Tax:-		
Current Tax	<b>775.00</b>	800.00
Deferred Tax	<b>122.04</b>	174.09
Profit After Tax	<b>1875.18</b>	2070.27
Add: Balance Brought Forward from Last year	<b>16186.52</b>	14866.90
Prior year adjustment for Taxes & Others	<b>(10.45)</b>	(123.66)
Profit for Appropriation	<b>18051.25</b>	16813.51
<b>APPROPRIATIONS</b>		
Proposed Dividend	<b>146.48</b>	195.30
Tax on Dividend	<b>24.89</b>	31.68
Transfer to General Reserves	<b>400.00</b>	400.00
Balance carried to Balance Sheet	<b>17479.88</b>	16186.53
	<b>18051.25</b>	16813.51
Paid-Up Equity Share Capital	<b>1953.00</b>	1953.00
Reserves (Excluding Revaluation Reserves)	<b>30279.07</b>	28585.71
E.P.S. With Extraordinary Item		
— Basic	<b>9.60</b>	10.60
— Diluted	<b>9.60</b>	10.60
Without Extraordinary Item		
— Basic	<b>9.60</b>	10.60
— Diluted	<b>9.60</b>	10.60

### 2. Dividend:

The Directors recommend payment of dividend of ₹ 0.75 per share (Previous Year ₹ 1.00 per share) for the year ended 31st March, 2014 on fully paid Equity Shares, subject to approval by the members at the Thirty Seventh Annual General Meeting to be held on 29th September, 2014.

### 3. Operations:

The Profit Before Tax without Extraordinary Income (PBT) has decreased by 8.94% from ₹ 3044.37 Lacs in the previous year to ₹ 2772.22 Lacs for the year 2013-2014, and the turnover has decreased by 9.39%. The Profit After Tax without Extraordinary Income (PAT) was ₹ 1875.18 Lacs for the year 2013-2014 as compared to PAT of ₹ 2070.27 Lacs (without extraordinary income) for the previous year representing decrease by 9.42%.

### 4. Fixed Deposits:

The Company has dis-continued the Fixed Deposit Scheme w.e.f. 1st April, 2014. The outstanding amount of Fixed Deposits placed with your Company amounted to ₹ 4708.94 Lacs (Previous Year ₹ 4068.84 Lacs). There were no deposits, which were claimed and remained unpaid by the Company as on 31st March, 2014. During the year 4 deposits aggregating of ₹ 1590 lying unclaimed with the Company were transferred to the Investor Education and Protection Fund, pursuant to relevant guidelines.

### 5. Outlook and Review:

Infrastructure sector plays a very significant role in economic development. The growth of this sector is necessary to create employment opportunities, mobilize resources, generate revenue, which will help reviving the economy.

Infrastructure has got a huge facelift in the Union Budget, 2014. There is a lot of thrust which the government intends giving to the Infrastructure Sector through the Public Private Partnership route to channel funds for investment & FDI.

In a bid to attract large-scale investments in infrastructural sector, the Union Budget has proposed to provide a conducive tax regime for the investors by setting up Infrastructural Investment Trusts (InvITs) and Real Estate Investments (REITs) in accordance with the regulations of the Securities and Exchange Board of India (SEBI).

### 6. Directors:

#### Retirement by Rotation:

In accordance with the requirement of the Companies Act, 2013, Mr. Dinesh H. Valecha Director of the Company is due for retirement by rotation and is eligible for reappointment.

In terms of Sections 149, 152, other applicable and related provisions of the Companies Act, 2013 read with Rules made thereunder, retirement by rotation shall not apply to Independent Directors. In order to comply with the statutory requirements, your Independent Directors, Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are being recommended for appointment for a term upto one year in case of Mr. Anil Harish and 5 years in case of Mr. G. Ramachandran and Mr. Arvind Thakkar i.e. w.e.f. 1st April, 2014, on a non-rotational basis.

The Brief particulars of the concerned Directors have been provided in the Corporate Governance Report, pursuant to Clause - 49 of the Listing Agreement.

**7. Auditors Report and Re-appointment of Auditors:**

M/s. D. M. Jani & Co, Chartered Accountants (Firm Registration Number: 104047W), who are Statutory Auditors of the Company will hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2014-15. As required under the provisions of Section 139 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. D. M. Jani & Co. that their appointment, if made, would be in conformity with the limits specified in the said section.

**8. Capital and Listing of Shares:**

The securities of the Company are listed and traded in compulsory dematerialized form on the BSE Limited and the National Stock Exchange of India Limited. Your Company has paid the Annual Listing fees to the Stock Exchanges and Depositories up to date. During the current year 2014-15 all the GDRs have been converted into shares. Hence listing on Luxembourg Stock Exchange is not required.

**9. Transfer to Reserves:**

Your Directors propose to transfer a sum of ₹ 400.00 Lacs to the General Reserve account.

**10. Subsidiary:**

**Your Company has following subsidiaries:**

Valecha Infrastructure Limited, Valecha International FZE, Professional Realtors Pvt. Ltd., Valecha LM Toll Pvt. Limited, Valecha Badwani Sendhwa Toll Ways Limited and Valecha Kachchh Toll Roads Limited.

In terms of general exemption granted by the Ministry of Corporate Affairs, from applicability of provisions of Section 212 of the Companies Act, 1956, the reports and annual accounts of the subsidiary companies for the financial year ended March 31, 2014 have not been attached to the Company’s Accounts. However Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Accounting Standards (AS) 21, form part of the Annual Report.

The statement pursuant to Section 212 of the Act relating to the subsidiary companies is attached and forms part of this report.

The Annual Accounts and other related information of the subsidiary companies will be made available free of cost to the members on request. The Annual Accounts of subsidiary companies are available for inspection at the registered office of the Company.

**11. Code of conduct:**

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and the highest standards of business ethics. In recognition thereof, the Board of Directors have implemented a Code of Conduct for adherence by the Directors and Senior Management Personal of the Company. This helps in dealing with ethical issues and also in fostering a culture of accountability and integrity.

**12. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

**A. Conservation of Energy:**

At all the sites of the Company the consumption of power is regularly monitored and necessary measures are taken to regulate the consumption.

**B. Technology absorption:**

During the year under review, there is no expenditure on Technology Absorption and on Research and Development.

**C. Foreign Exchange Earnings & Outgo:**

	Current Year	Previous Year
Foreign Exchange Outgo	<b>90.90</b>	647.87
Foreign Exchange Earned	<b>Nil</b>	Nil

(₹ in lacs)

**13. Particulars of Employees:**

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forms part of this report. However, as per the provisions of Sections 219(1) (b) (iv) of the Act, the report and accounts are being sent to all members excluding the statement of particulars of employees under Section 217(2A) of the Act. Any member interested in obtaining a copy of the statement may write to Company Secretary at the Company’s Registered Office.

#### 14. Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Reports on Management Discussion and Analysis, Corporate Governance as well as Auditors' Certificate regarding compliance of condition of Corporate Governance, form part of this Annual Report.

#### 15. Director's Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that in the preparation of the annual accounts, the applicable accounting standards have been followed. Appropriate accounting policies have been selected and applied consistently, and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit or Loss of the Company for that period. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

#### 16. Acknowledgements:

The Board wishes to place on record its appreciation to all employees of the Company for their continued contribution to the performance of the Company and convey their grateful thanks to Shareholders, Government and Customers for their continued support. Also our sincere thanks and gratitude to State Bank of India, Axis Bank Limited, Canara Bank, Indian Overseas Bank, Vijaya Bank, State of Bank of Travancore, Lakshmi Vilas Bank Limited, DBS Bank and other Bankers/NBFCs who are continuously supporting the Company and its group at all the times for achieving its goals.

For and on Behalf of the Board

**ANIL HARISH**  
*Chairman*

Place : Mumbai

Date : 13th August, 2014.

## ANNEXURE

## REPORT ON CORPORATE GOVERNANCE

**1. Company's philosophy on code of Governance:**

Your Company is committed to good corporate governance practices which contribute towards sustaining and developing the business of the Company. It is a reflection of the Company's culture, policies, retainership with stakeholders, commitment of values & ethical business conduct transparency, independence, accountability, responsibility and disclosures are important part of your Company's Corporate Governance. We remain committed to maximizing stakeholders value comprising of Shareholders, Customers, Government and Society at large.

**2. Board of Directors:**

The Board of the Company consists of 6 (Six) Directors of which 3 (Three) are Executive Directors and 3 (Three) are Non-Executive Directors and out of 6 (Six) Directors 3 (Three) are Independent Directors and 3 (Three) are Non-Independent Directors. The Company is in the compliance of Clause-49 of the Listing Agreement.

During the year 2013-2014, the Board met Six times, with at least one meeting in every quarter and with a gap of less than four months between two meetings on the following dates, namely 30th May, 2013, 10th June, 2013, 14th August, 2013, 26th September, 2013, 14th November, 2013 and 12th February, 2014.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees in which he is a Director.

The following table gives details of Directors, Attendance of Directors at the Board Meetings and the last Annual General Meeting, number of memberships held by Directors in the Board/Committees of various other companies:

Name	Category	DIN	Attendance particulars		Number of other Directorship and Committee Membership/Chairmanship		
			Board Meeting	Last AGM	Other Directorship (excluding Pvt. Ltd. Companies)	Committee Membership	Committee Chairmanship
Mr. Anil Harish	Non-Executive & Independent	00001685	3	Attended	13	6	4
Mr. J. K. Valecha	Executive & Non-Independent	00013070	6	Attended	2	2	—
Mr. D. H. Valecha	Executive & Non-Independent	00012945	6	Attended	2	1	—
Mr. U. H. Valecha	Executive & Non-Independent	00012991	4	Not Attended	2	—	—
Mr. G. Ramachandran	Non-Executive & Independent	00102506	4	Attended	—	—	2
Mr. Arvind Thakkar	Non-Executive & Independent	02208108	Nil	Not Attended	—	—	—

**Details of Directors seeking appointment/reappointment at the 37th Annual General Meeting: (Pursuant to Clause 49 of the Listing Agreement):**

1.	Name	Mr. Dinesh H. Valecha
	Age	44 years
	Qualifications	B.E. (Electronics) D.B.M.
	Shareholding as on 31-03-2014	2812 shares
	Expertise	Over 21 years of experience in Civil Construction Works.
	Other Directorship	Valecha Infrastructure Limited and Valecha Reality Limited (excluding private companies, foreign companies & section 25 companies)
	Committee Member/Chairmanship	Member – Shareholders/Investor Grievance Committee

2.	<p>Name Age Qualifications Shareholding as on 31-03-2014 Expertise Other Directorship (excluding Pvt. Ltd. (Companies)) Committee Member/Chairmanship</p>	<p>Mr. Anil Harish 60 years Advocate 86722 shares Over 33 years of experience in taxation and other laws, Partner of M/s. D. M. Harish &amp; Co., Advocate Advani Hotels &amp; Resorts (India) Ltd., Ador Welding Ltd., Ashok Leyland Ltd., Future Consumer Enterprise Ltd., Hotel Leela Venture Ltd., Hinduja Global Solutions Ltd., Hinduja Ventures Ltd., Hinduja Leyland Finance Ltd., Mukta Arts Ltd., Mahindra Lifespace Developers Ltd., Oberoi Reality Limited, Future Retail Ltd., Unitech Ltd. Member – Audit Committee (Hotel Leela Venture Ltd.) Member – Audit Committee (Future Consumer Enterprise Ltd.) Member – Audit Committee (Unitech Ltd.) Member – Audit Committee (Valecha Engineering Ltd.) Member – Audit Committee (Mahindra Lifespace Developers Ltd.) Member – Audit Committee (Oberoi Reality Ltd.) Chairman – Audit Committee (Hinduja Venture Limited) Chairman- Audit Committee (Hinduja Global Solutions Limited) Chairman – Audit Committee (Ador Welding Ltd.) Chairman – Audit Committee (Ashok Leyland Ltd.)</p>
3.	<p>Name Age Qualifications Shareholding as on 31-03-2014 Expertise Other Directorship Committee Member/Chairmanship</p>	<p>Mr. Arvind Thakkar 70 years Chartered Accountant 300687 shares Over 43 years of experience in the finance, acquisitions &amp; mergers, cost and management accounting. Nil (Not a director in any other Indian Company). Nil</p>
4.	<p>Name Age Qualifications Shareholding as on 31-03-2014 Expertise Other Directorship Committee Member/Chairmanship</p>	<p>Mr. G. Ramachandran 54 years Chartered Accountant Nil Chartered Accountant over 31 years of experience in the field of Investment Banking, Consultancy, Business Process and Organizational Development. Nil Chairman – Audit Committee and Shareholders/Investor Grievance Committee of Valecha Engineering Limited.</p>

### 3. Audit Committee:

As on 31st March, 2014 the Audit Committee consisted of Mr. G. Ramachandran – Chairman, Mr. J. K. Valecha – Member and Mr. Anil Harish – Member.

The Audit Committee met Four Times during the year 2013-2014 on 30th May, 2013, 14th August, 2013, 14th November, 2013 and 12th February, 2014 and the attendance of the members at the meeting was as follows:

Name of Directors	Category	No. of Meetings Attended
Mr. G. Ramachandran	Non-Executive & Independent	3
Mr. Anil Harish	Non-Executive & Independent	2
Mr. J. K. Valecha	Executive & Non-Independent	4

The terms of reference of the Audit Committee includes various matters in conformity with the statutory guidelines, which includes the following:

- (a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Recommend the appointment and removal of the Statutory Auditors, fix Audit fees/Remuneration and other terms of appointment and also grant approval for payment for services other than those specifically prohibited under the Companies Act, 2013.
- (c) Review and monitor Auditors' Independence and performance and effectiveness of the Audit process.
- (d) Review/Examination of the financial statement with the management before submission to the Board along with Report of Auditors thereon, focusing primarily on :
  - Any change in accounting policies and practices.
  - Major accounting entries based on the exercise of judgment by management.
  - Qualifications in the draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions, i.e. Approval or any subsequent modification of related party transactions of the Company.
- (e) Review with the management, external and internal auditors the adequacy of internal control systems.
- (f) Discuss with internal auditors any significant findings and follow-up action.
- (g) Review with the management the quarterly financial statements before submission to the Board for approval.
- (h) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity or failure of internal control systems of a material nature and report the matter to the Board.
- (i) Discuss with external auditors before the audit commences about the nature and scope of audit and have post-audit discussion to ascertain any area of concern.
- (j) Review the Company's Internal financial Control and Risk Management Systems/policies.
- (k) Look into the reasons for substantial defaults in payment to depositors, debenture holders (in the case of non-payment of declared dividends) and creditors.
- (l) Review the functioning of the Whistle –Blower mechanism.

The minutes of the Audit Committee are circulated to the Board of Directors. The Chairman of the Audit Committee apprises the Board on the recommendations made by the Committee.

#### 4. Nomination and Remuneration Committee:

The existing Remuneration Committee comprising of (3) Directors, Mr. G. Ramachandran – Chairman, Mr. Arvind Thakkar – Member and Mr. Anil Harish – Member, was renamed as “Nomination and Remuneration Committee”.

The Nomination and Remuneration Committee reviews the Company's policies on specific remuneration packages overall remuneration structure and perquisites, commission etc. payable to the Executive Directors and Non-Executive Directors. The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis.

#### Remuneration of Directors for 2013-2014:

(₹ in lacs)

Sr. No.	Name of Directors	Salary and Perquisites	Sitting Fees	Commission	Total
1.	Mr. Anil Harish	—	0.15	7.50	7.65
2.	Mr. Jagdish K. Valecha	76.49	—	—	76.49
3.	Mr. Dinesh H. Valecha	47.70	—	—	47.70
4.	Mr. Umesh H. Valecha	45.99	—	—	45.99
5.	Mr. G. Ramachandran	—	0.20	5.00	5.20
6.	Mr. Arvind Thakkar	—	—	5.00	5.00
	Total	170.18	0.35	17.50	188.03



Number of equity shares held by other Non-Executive Directors as on 31st March, 2014

Name of the Director	Numbers of shares
Mr. Anil Harish	86722
Mr. Arvind Thakkar	300687
Mr. G. Ramachandran	NIL

#### 5. Stakeholders Relationship Committee:

The existing Share Transfer/Investor Grievance Committee comprising of 3 Directors Mr. J. K. Valecha (Executive & Non-Independent), Mr. D. H. Valecha (Executive & Non-Independent) and Mr. G. Ramachandran (Non-Executive & Independent) is renamed as “Stakeholder Relationship Committee”.

Mr. G. Ramachandran, the chairman of the Committee is a Non-Executive Director. The Committee deals with all the matter relating to share holders and investors complaints and other related matters. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for over all improvement of the quality of investor’s services. The Committee held 13 meetings during the year 2013-2014. As of 31st March, 2014 there were no unresolved investors complaints pending and no shares pending for transfer.

Ms. Kavita Valecha Sharma – Company Secretary is the Compliance Officer.

During the year under review, the Company had received 24 complaints from shareholders and the same have been redressed to their satisfaction.

#### 6. Subsidiary Companies:

None of the Subsidiary Companies is covered under the term “material non listed Indian Subsidiary Company”.

#### 7. Code of Conduct:

The Board has laid down the Code of Conduct for all Board members and Senior Managerial Personnel of the Company.

All the Directors & Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect duly signed by Managing Director of the Company is attached herewith and forms Part of Corporate Governance Report.

#### 8. General Body Meetings:

The last three Annual General Meetings of the Company were held at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018 as follows:

Date	Time	Details of Special Resolution	Relevant Section
26 <sup>th</sup> September, 2013	4.00 p.m.	Office or place of profit	314
17 <sup>th</sup> September, 2012	4.00 p.m.	NIL	NIL
29 <sup>th</sup> July, 2011	4.00 p.m.	Commission to Non-Executive Director	309

No Special Resolutions were put through postal ballot last year. No Special Resolution is proposed to be passed through postal Ballot at the ensuing Annual General Meeting.

#### 9. Disclosures:

- There are no transactions of material nature that have been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company. Transactions with related parties are disclosed in notes to Accounts forming part of the Balance Sheet in the Annual Report.
- The company had filed an appeal before the Hon’ble Securities Appellate Tribunal, Mumbai against the order passed by the Adjudicating Officer, SEBI on 26th July, 2013 imposing monetary penalty. The appeal has been decided in favour of the Company and the Order has been set aside.
- The Director’s Report includes details of Management Discussion and Analysis including Risks & Concerns.
- Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others.
- All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.

**10. Means of Communication:**

The approved financial results are forwarded to the Stock Exchange and are published in the leading English and Regional newspapers.

The Company’s financial results and official news releases are displayed on the Company’s Website [www.valechaeng.com](http://www.valechaeng.com) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company. No presentations were made to institutional investors or to the analysts.

**11. Reconciliation of Share capital Audit Report:**

A qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of dematerialized shares held with NSDL and CDSL.

**12. Code of Conduct:**

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the same is posted on the Company’s website “[www.valechaeng.com](http://www.valechaeng.com)”. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director has been obtained and is enclosed at the end of this report.

**13. VEL Code of Conduct for Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for prevention of Insider Trading. This Code of Conduct is applicable to all Board Members and Senior Official of the Company.

**14. General Shareholder Information:**

- \* AGM : Date : 29th September, 2014  
Time : 4.00 p.m.  
Venue : Sunville Banquet Hall,  
9, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
- \* Financial Calendar : April to March (Financial year)  
First Quarter Results – 1<sup>st</sup>/2<sup>nd</sup> week of August  
Second Quarter Results – 1<sup>st</sup>/2<sup>nd</sup> week of November  
Third Quarter Results – 1<sup>st</sup>/2<sup>nd</sup> week of February  
Annual Audited Result – Last week of May
- \* Book Closure : 23rd September, 2014 to 29th September, 2014
- \* Dividend Payment date : On or before 28th October, 2014
- \* Listing on Stock Exchanges : BSE Limited  
National Stock Exchange of India Limited
- \* The listing fees for the financial year 2014-2015 of the stock exchanges has been paid.

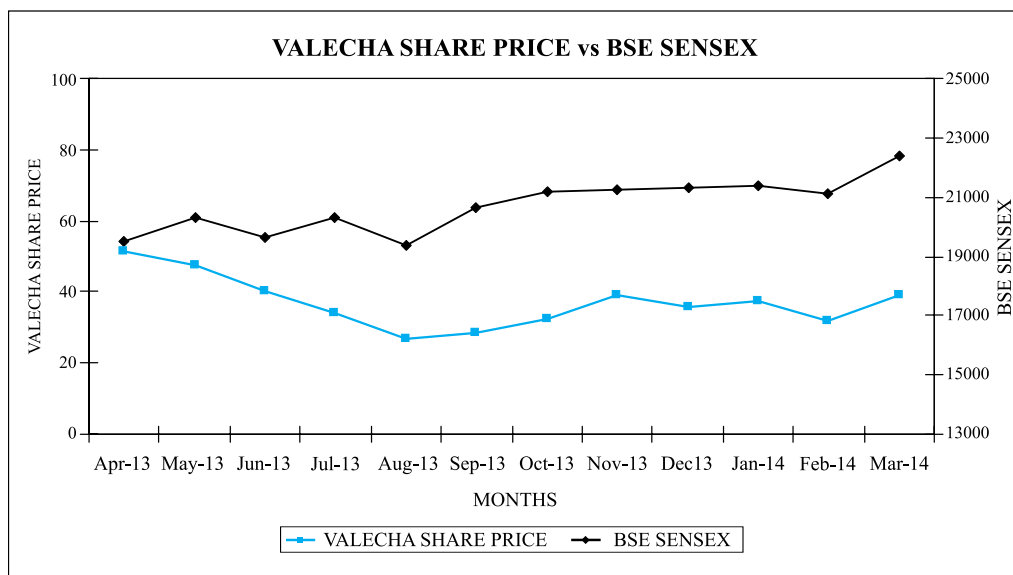
**Listing on Stock Exchanges:**

Name of Stock Exchange	Stock Code No.	Code on Screen
BSE Limited (BSE)	532389	VALECHAENG
National Stock Exchange of India Limited (NSE)	—	VALECHAENG

\* Market Price data:

Monthly high and low of quotations on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Month	BSE		NSE	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April, 2013	51.60	45.60	51.90	45.55
May, 2013	47.45	41.30	47.65	41.35
June, 2013	40.05	30.50	39.55	30.45
July, 2013	34.35	27.40	34.55	27.25
August, 2013	26.95	18.90	25.70	19.00
September, 2013	28.50	24.05	28.15	24.05
October, 2013	32.40	25.65	32.10	25.80
November, 2013	39.05	31.10	39.25	30.80
December, 2013	35.95	31.05	35.55	31.05
January, 2014	37.50	30.85	37.40	31.05
February, 2014	31.75	29.80	31.85	29.70
March, 2014	39.35	30.05	39.30	29.90



\* Registrar and Transfer Agents : TSR Darashaw Limited  
6-10 Haji Moosa Patrawala Ind. Estate  
20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai-400 011.  
CIN: U67120MH1985PTC037369  
Tel.: 66568484 • Fax: 66568494

\* Share Transfer System : The Company's Shares are traded in compulsory demat mode and are transferable through depository system. All the physical transfers received are processed by the registrar and transfer agents and approved by Share Transfers Committee, which meets at regular intervals.

\* Distribution of Shareholding : As on 31st March, 2014.

**Distribution of Holdings (as on 31st March, 2014)**

Shareholding of Nominal Value		Shareholders		Share Amount	
₹	₹	No.	% To Total	₹	% To Total
1	5,000	11325	84.93	16224940	8.31
5,001	10,000	990	7.42	7805670	4.00
10,001	20,000	536	4.03	7996880	4.09
20,001	30,000	172	1.29	4304500	2.20
30,001	40,000	69	0.52	2452670	1.26
40,001	50,000	59	0.44	2757490	1.41
50,001	1,00,000	87	0.65	6184000	3.17
1,00,001	Above	96	0.72	147574100	75.56
<b>TOTAL</b>		<b>13334</b>	<b>100.00</b>	<b>195300250</b>	<b>100.00</b>

**Shareholding Pattern**

Sr. No.	Category	No. of Shares	%
1.	Promoters (Promoter group)	9436533	48.29
2.	NRI's	1091247	5.59
3.	Bodies Corporate	1478754	7.57
4.	Financial Institution/Mutual Fund	709964	3.64
5.	Foreign Institution Investors	Nil	Nil
6.	Others:		
	Independent Directors	387409	1.98
	Shares held by Custodians issued against GDRs	371250	1.90
	Indian Public	6059868	31.03
	<b>TOTAL</b>	<b>19530025</b>	<b>100.00</b>

\* Dematerialization of Shares: As on 31st March, 2014, 97.97% of the Company's total shares representing 19134425 Shares were held in dematerialised form.

\* Outstanding GDRs/ADRs/Warrants: There were no outstanding GDRs/ADRs/Warrants as on 31st March, 2014.

The Share are available in Demat form with:

- Central Depository Services (India) Limited ISIN-INE624C01015
- National Securities Depository Limited ISIN-INE624C01015

\* Plant Location: The Company has various sites.

\* Address for correspondence:

**(1) Company:**
**VALECHA ENGINEERING LIMITED**

"Valecha Chambers", 4th Floor,  
Andheri New Link Road,  
Andheri (West), Mumbai-400 053.  
CIN : L74210MH1977PLC019535  
Tel : 022 - 2673 3625 to 29  
Fax : 022 - 2673 3945  
E-mail : ho@valecha.in/investor.relations@valecha.in

**(2) Registrar:**
**TSR Darashaw Limited**

6-10 Haji Moosa Patrawala Ind. Estate  
20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai-400 011.  
CIN: U67120MH1985PTC037369  
Tel. : 022-66568484  
Fax : 022-66568494

**15. DECLARATION UNDER CODE OF CONDUCT:**

All Board Members and senior management personnel have, for the year ended 31<sup>st</sup> March, 2014, affirmed compliance with Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered into with the Stock Exchange.

**JAGDISH K. VALECHA**  
*Managing Director*

Place : Mumbai  
Date : 21st May, 2014

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**Auditors' Certificate on Compliance of Clause 49 of Listing Agreement**

To,  
The Members of  
**Valecha Engineering Limited**

We have examined the Compliance of conditions of Corporate Governance by Valecha Engineering Limited, for the year ended on 31st March, 2014 as stipulated in the Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. D. M. JANI & CO.**  
*Chartered Accountants*

**DILIP M. JANI**  
*Proprietor*  
Membership No. 17259

Place : Mumbai  
Date : 13th August, 2014

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(a) Industry Structure and Developments:**

Infrastructure sector has got a huge facelift in the Union Budget 2014. To create infrastructure in agriculture sector, the Union Budget has proposed to raise the corpus of Rural Infrastructure Development Fund (RIDF) by an Additional ₹5,000 crore. In addition, an amount of ₹100 crores has been set aside for the Agri-tech infrastructural funds.

**(b) Opportunities and Threats/Risks and concerns:**

Infrastructure is one of the growth engines for uplifting the economy and the special emphasis in form of long term bonds, tax incentives of the present government on infrastructure will have a positive impact on the overall economic development.

Most Infrastructure projects are of long duration with very long gestation periods. Most projects also take a minimum of five years to stabilize operations. There is no cost effective financing available for the longer duration which is the biggest challenge the sector is facing today coupled with other issues like land acquisition, environmental clearances, law and order problem and rehabilitation and settlement issues.

**(c) Segment wise performance & outcome:**

The Company is involved in different segments of Infrastructure such as Highways & Expressways, Bridges & Tunnels, Airports, Irrigation Dams, Reservoirs & Canals, Railways, Foundation & Piling Works and Building Works and not restricted to one client thus spreading its risk. Also, the company is focused on niche markets where there is high growth potential such as underground tunneling and elevated structures with specialized equipment. During the financial year the Company has bagged projects worth more than ₹1,000 crores and got a high Pre-Qualification with government and private clients.

**(d) Outlook:**

With as many as 900 projects are in various stages of development, India has emerged as the largest PPP (Public Private Partnership) market. But the PPP has its grey areas. To streamline the PPP models, the Union Budget has proposed an institution called 3P and earmarks ₹500 crores.

The Union Budget has announced creation of Infrastructural Investment Trusts (InvITs), a modified REITS-type structure. This will have a similar tax pass through status for PPP and other infrastructure projects.

There is no doubt that the series of measures for infrastructural development, as presented in the Union Budget 2014, will raise adequate resources for the economic development of the country. This will certainly help reviving the ailing sector.

**(e) Internal Control Systems and their adequacy:**

The Company has appropriate and adequate internal control systems for its business processes at all sites with regard to efficiency of operations, accurate and prompt financial reporting, compliance with applicable Laws and regulations etc.

The Company continues to regularly evaluate and strengthen its Internal Control Systems to be commensurate with its size and growth.

**(f) Discussion on financial performance with respect to Operation Performance:**

The Profit Before Tax without Extraordinary Income (PBT) has decreased by 8.94% from ₹3044.37 Lacs in the previous year to ₹2772.22 Lacs for the year 2013-2014, and the turnover has decreased by 9.39%. The Profit After Tax without Extraordinary Income (PAT) was ₹1875.18 Lacs for the year 2013-2014 as compared to PAT of ₹2070.27 Lacs (without extraordinary income) for the previous year representing decrease by 9.42%.

**(g) Human Resources/Industrial Relations:**

Your Company continues to lay thrust on human resource development and the industrial relations at various project location remained harmonious and cordial. Over the years your Company's Human Resource policies are directed towards attaining, motivating, rewarding and retaining talent at all levels in the organisation. Human Resource is recognised as most valuable asset of the Company that play vital role in attaining success for the organisation today and in the years to come.

**(h) Cautionary Statement:**

Statement in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be interpreted as "forward-looking statements", but are stated as required under the applicable securities laws and regulations. Actual results could differ from those expressed or implied for many reasons including economic policy and conditions, market developments and changes in government regulations, tax laws and other statutes and other incidental factors.

## INDEPENDENT AUDITORS' REPORT

### To The Members of Valecha Engineering Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of VALECHA ENGINEERING LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards notified under the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
2. As required by section 227(3) of the Companies Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Act read with the General Circular no. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956.

For **D. M. JANI & CO.**  
FRN : 104047W  
*Chartered Accountants*

**DILIP M. JANI**  
*Proprietor*  
Membership No. 17259

Place : Mumbai  
Date : 30th May, 2014.

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.  
(b) All the assets were physically verified by the Management in a phased periodic manner during the year, which in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
3. (a) The Company has not taken loan from companies covered in the register maintained under Section 301 of the Companies Act, 1956. There are Eleven companies covered in the register maintained under Section 301 of the Companies Act, 1956 to whom the Company has granted loans. The maximum amount involved during the year was ₹ 20,547.20 lacs and the year-end balance of loans granted to such parties was ₹ 20,547.20 lacs.  
(b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.  
(c) The parties have been regular in the payment of principal and interest as per stipulation, if any.
- (d) There is no overdue amount of loans granted to companies listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of Inventory and Fixed Assets and also for the Sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Tribunal on the Company in respect of the above said Deposits.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities, According to the information and explanation given to us,



no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and the records of the Company examined by us there are no dues of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Service Tax and Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
  11. In our opinion and according to the information and explanations give to us, the Company has not defaulted in repayment of dues to a financial institutions and Banks.
  12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
  14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
  15. According to the information and explanations given to us, the Company has given the corporate guarantee for loans taken by its ultimate subsidiaries from the banks, the terms and conditions whereof in our opinion are not *prima facie* prejudicial to the interest of the Company.
  16. In our opinion, the term loans have been applied for the purpose for which they were raised.
  17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
  18. According to the information and explanation given to us, during the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
  19. According to the information and explanations given to us, during the period the Company has not issued any Debentures.
  20. The Company has not raised any money by public issues during the year.
  21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **D. M. JANI & CO.**  
FRN : 104047W  
*Chartered Accountants*

**DILIP M. JANI**  
*Proprietor*  
Membership No. 17259

Place : Mumbai  
Date : 30th May, 2014

**BALANCE SHEET AS AT 31st MARCH, 2014**

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2014		As at 31st March, 2013	
<b>I. EQUITY AND LIABILITIES :</b>					
<b>1. Shareholders' Funds :</b>					
a. Share Capital	1	19,53,00,250		19,53,00,250	
b. Reserves & Surplus	2	3,03,45,62,009	3,22,98,62,259	2,86,59,20,316	3,06,12,20,566
<b>2. Non Current Liabilities :</b>					
a. Long Term Borrowings	3	1,79,61,76,669		1,54,29,13,230	
b. Deferred Tax Liabilities (Net)	4	25,94,04,399		24,71,99,946	
c. Other Long Term Liabilities	5	1,96,40,91,441	4,01,96,72,509	1,74,05,15,242	3,53,06,28,418
<b>3. Current Liabilities :</b>					
a. Short Term Borrowings	6	86,68,21,569		75,80,90,291	
b. Trade Payables	7	1,25,98,07,554		1,13,59,28,816	
c. Other Current Liabilities	8	1,72,37,44,707		1,35,94,03,435	
d. Short Term Provisions	9	1,71,36,865	3,86,75,10,695	2,26,98,283	3,27,61,20,825
<b>Total</b>			<b>11,11,70,45,463</b>		<b>9,86,79,69,809</b>
<b>II. ASSETS :</b>					
<b>1. Non Current Assets :</b>					
<b>a. Fixed Assets :</b>	10				
Tangible Assets			1,56,46,30,760		1,62,37,17,929
<b>b. Non Current Investments</b>	11		96,26,68,351		73,07,50,743
<b>c. Long Term Loans &amp; Advances</b>	12		1,33,94,506		83,16,068
<b>2. Current Assets :</b>					
a. Inventories	13	58,18,94,716		52,78,66,125	
b. Trade Receivables	14	2,50,51,33,712		2,04,35,19,178	
c. Cash and Cash Equivalents	15	71,81,96,994		71,43,04,385	
d. Short Term Loans & Advance	16	4,69,72,22,888		4,19,77,93,975	
e. Other Current Assets	17	7,39,03,536	8,57,63,51,846	2,17,01,406	7,50,51,85,069
<b>Total</b>			<b>11,11,70,45,463</b>		<b>9,86,79,69,809</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	1 to 31				

As per our report of even date  
For **D. M. JANI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2014.

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2014		As at 31st March, 2013	
<b>I. INCOME</b>					
Revenue from Operations	18		6,70,27,06,395		7,39,71,96,571
Other Income	19		13,72,79,388		14,44,76,397
<b>Total Revenue</b>			<b>6,83,99,85,783</b>		<b>7,54,16,72,968</b>
<b>II. EXPENSES</b>					
Construction Expenses	20		5,63,95,94,892		6,33,31,88,468
Changes in Inventories	20		(5,40,28,591)		(8,20,45,505)
Employee Benefit Expenses	21		36,92,97,334		38,00,61,715
Financial Cost	22		41,66,06,162		37,49,56,118
Depreciation and Amortisation Expense	23		11,08,05,901		10,60,43,730
Other Expenses	24		8,04,87,974		12,50,31,993
<b>Total Expenses</b>			<b>6,56,27,63,672</b>		<b>7,23,72,36,519</b>
<b>III. PROFIT BEFORE EXTRAORDINARY ITEM &amp; TAX</b>			<b>27,72,22,111</b>		<b>30,44,36,449</b>
<b>IV. Extraordinary Item (Income)</b>			—		—
<b>V. PROFIT BEFORE TAX (III + IV)</b>			<b>27,72,22,111</b>		<b>30,44,36,449</b>
<b>VI. TAX EXPENSES</b>					
Current Tax		7,75,00,000		8,00,00,000	
Deferred Tax		1,22,04,453	8,97,04,453	1,74,09,531	9,74,09,531
<b>VII. PROFIT FOR THE YEAR (V – VI)</b>			<b>18,75,17,658</b>		<b>20,70,26,918</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	1 to 31				
<b>Earning Per Share of face value of ₹ 10/- each</b>					
– Basic & Diluted (In ₹)			<b>9.60</b>		<b>10.60</b>

As per our report of even date  
For **D. M. JANI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2014.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
<b>A. Cash flow from Operating Activities</b>		
Profit Before Tax and Extraordinary Items	27,72,22,111	30,44,36,449
<b>Add/(Deduct) Adjustment for :</b>		
Depreciation	11,08,05,901	10,60,43,730
Financial cost	41,66,06,162	37,49,56,118
Rent from Property	(4,22,92,444)	(4,63,29,136)
Miscellaneous Income	(1,07,73,345)	(1,46,35,920)
Interest Earned	(6,62,00,029)	(7,29,26,853)
Loss/(Profit) on Sale of Fixed Assets	11,839	1,16,21,396
<b>Operating Profit Before Working Capital Changes</b>	<b>68,53,80,195</b>	66,31,65,784
<b>Adjustment for :</b>		
Trade and Other Receivables	(80,61,79,181)	(72,28,728)
Inventories and Projects in Progress	(10,62,30,721)	(4,04,25,178)
Trade and other Payables	51,37,04,876	(4,80,18,102)
<b>Cash Generated From Operations</b>	<b>28,66,75,169</b>	56,74,93,776
Direct Taxes (Paid)	(11,34,43,816)	(7,74,72,648)
Prior year adjustments	(10,45,094)	(1,23,65,889)
<b>Net Cash Flow from Operating Activities</b>	<b>17,21,86,259</b>	47,76,55,239
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(5,24,49,096)	(7,70,52,744)
Proceeds from Sale of Fixed Assets	24,519	68,61,443
Changes in Capital Work in Progress	—	45,251
Proceeds from Sale of Investments	(23,19,17,608)	(16,67,177)
Advance to Subsidiary Company	(12,39,98,888)	(23,50,48,814)
Interest Earned	6,62,00,029	7,29,26,853
Rent and Miscellaneous Receipts	5,30,65,789	6,09,65,056
<b>Net Cash From Investing Activities</b>	<b>(28,90,75,255)</b>	(17,29,70,132)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014 — (Contd.)

(Amount in ₹)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	38,73,44,385	32,82,41,329
Proceeds from Unsecured Borrowings	6,40,10,387	9,89,64,000
Proceeds from Short Term Borrowings	10,87,31,278	(17,03,83,646)
Financial Cost	(41,66,06,162)	(37,49,56,118)
Dividend Paid	(1,95,30,025)	(1,95,30,025)
Dividend Tax Paid	(31,68,258)	(31,68,258)
<b>Net Cash Used in Financing Activities</b>	<b>12,07,81,605</b>	<b>(14,08,32,718)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>38,92,609</b>	<b>16,38,52,389</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>71,43,04,385</b>	<b>55,04,51,996</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>71,81,96,994</b>	<b>71,43,04,385</b>

As per our report of even date  
For **D. M. JANI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.

Date : 30th May, 2014.

## SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, subject to what is stated herein below, as adopted consistently by the Company. The Company follows accrual system of accounting except otherwise stated.

### B. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/materialised.

### C. Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation. However, Fixed Assets which were revalued by the Company as on 31st March, 1992 are stated at their revalued amount. The cost of a Fixed Asset comprises its purchase price and any direct attributable cost for bringing the asset in an operational condition for its intended use.

### D. Depreciation and amortisation

Depreciation on Fixed Assets is calculated on "Straight Line Method" at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on Revalued Assets, is calculated on their respective book values, at the rates considered applicable by the valuers. The additional charge of depreciation on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

### E. Inventories

The inventories of materials on hand at the end of the year are valued at lower of cost or net realisable value. The cost is being determined on First-In-First out method. The Work-in-progress is valued at Cost or Net Realisable value whichever is Lower.

### F. Investments

Long term Investments are stated at cost. It includes Office Premises in Valecha Chambers on which depreciation not provided for as Investment in properties in accordance with Accounting Standard (AS-13) issued by the Institute of Chartered Accountants of India.

### G. Revenue recognition

1. The Company follows the "Percentage of Completion Method" of accounting for all contracts in accordance with "Accounting Standard 7" - "Accounting for Construction Contracts" issued by the Institute of Chartered Accountants of India. The revenue from the execution of contracts is recognised proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred and after considering the total contract value and associated costs.
2. Contract prices are either fixed or subject to price escalation clause. Amounts due in respect of price escalation and/or variation in contract work approved by the customers are recognised as revenue only when there are conditions in the contracts for such claims or variations and/or evidence of the acceptability of the same from customers.
3. Uncertified work-in-progress is recognised as revenues and is valued at the lower of cost and net realizable value upto the stage of completion. Cost includes direct material, labour cost and appropriate overheads.
4. Contracts executed in Joint Ventures/Consortium under work sharing arrangement are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed. In case where the contracts are executed independently by the Joint Ventures the share of profit/(Loss) is recognized as an income/(Loss) in the Books of account of the Company in the year in which the relative contract/s is/are completed/Income received.
5. Site development including initial expenses (shown in Project in progress) thereon is charged to the projects from the date of its revenue recognition.

6. Progress payments received are adjusted against amounts receivable from customers in respect of the contract of work performed.
7. Amounts retained by the customers until the satisfactory completion of the contracts are recognised in the financial statements as receivables. Where such retention has been released by the customers against submission of Bank Guarantees, the amount so released is adjusted against receivables from the customers and the value of the Bank Guarantees is disclosed as contingent liability.

**H. Other income**

Interest income is accounted on accrual basis.

**I. Foreign currency transactions**

Transactions denominated in Foreign Currency are normally recorded at Exchange Rate prevailing at the time of transactions. Current asset/ investments denominated in Foreign Currency are translated at the rate prevailing at the end of the year and the net gain/loss is recognised in the Statement of Profit and Loss.

**J. Segment reporting**

The Company considers its operations as one single segment i.e. “Construction Activity” and as such AS-17 is not applicable.

**K. Provision for Current and Deferred Tax**

Current Tax :

Current Tax is the amount of Tax payable on the Taxable Income for the year as determined in accordance with provisions of Income Tax Act 1961.

Deferred Tax Provision :

Deferred Tax charge or credit is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted by the balance sheet date.

**L. Provisions and contingencies**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>1. SHARE CAPITAL</b>				
<b>Authorised</b> 3,50,00,000 Equity Shares of ₹ 10/- each		<b>35,00,00,000</b>		35,00,00,000
<b>Issued &amp; Subscribed</b> 1,95,30,025 Equity Shares of ₹ 10/- each fully paid-up.		<b>19,53,00,250</b>		19,53,00,250
		<b>19,53,00,250</b>		19,53,00,250

**Note 1 (a) Reconciliation of number of shares :**

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	Amount in ₹	No. of Shares held	Amount in ₹
Equity Shares :				
Shares at the beginning of the year	<b>1,95,30,025</b>	<b>19,53,00,250</b>	1,95,30,025	19,53,00,250
Add : Shares issued during the year	—	—	—	—
Shares at the end of the year	<b>1,95,30,025</b>	<b>19,53,00,250</b>	1,95,30,025	19,53,00,250

**Note 1 (b) Right, Preferences and restrictions attached to shares :**

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each share holder is eligible for one vote per share. The Dividend proposed by the Board of Directors is subject to the approval of share holders. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their share holding.

**Note 1 (c) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company**

Name of the Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% held	No. of Shares	% held
Valecha Investment Pvt. Ltd.	<b>78,25,000</b>	<b>40.07</b>	78,25,000	40.07

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>2. RESERVES AND SURPLUS</b>				
<b>a. Securities Premium Account :</b> Balance as per last Balance Sheet		<b>84,09,37,635</b>		84,09,37,635
<b>b. Revaluation Reserve :</b> Balance as per last Balance Sheet	<b>73,48,866</b>		80,42,872	
Less : Transfer to Statement of Profit & Loss *	<b>6,94,006</b>	<b>66,54,860</b>	6,94,006	73,48,866
<b>c. General Reserve :</b> Balance as per last Balance Sheet	<b>39,89,80,873</b>		35,89,80,873	
Add : Transfer from surplus in Statement of Profit & Loss	<b>4,00,00,000</b>	<b>43,89,80,873</b>	4,00,00,000	39,89,80,873
<b>d. Surplus in Statement of Profit &amp; Loss :</b> Balance as per last Balance Sheet	<b>1,61,86,52,942</b>		1,48,66,90,196	
Add : Profit for the Year	<b>18,75,17,658</b>		20,70,26,918	
Less : Prior Year Adjustments for Taxes & Others	<b>10,45,094</b>		1,23,65,889	
	<b>1,80,51,25,506</b>		1,68,13,51,225	
Less : Appropriations				
Transfer to General Reserves	<b>4,00,00,000</b>		4,00,00,000	
Proposed Dividend	<b>1,46,47,519</b>		1,95,30,025	
Tax on Dividend	<b>24,89,346</b>	<b>1,74,79,88,641</b>	31,68,258	1,61,86,52,942
		<b>3,03,45,62,009</b>		2,86,59,20,316

\* The additional charge of depreciation on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>3. LONG TERM BORROWINGS</b>		
<b>a. Secured</b>		
<b>Term Loans :</b>		
i. From Banks	75,98,65,178	55,85,01,350
ii. From Financial Institutions	69,03,47,104	73,34,56,880
<b>b. Unsecured</b>		
i. Fixed Deposits	34,59,64,387	25,09,55,000
	<b>1,79,61,76,669</b>	<b>1,54,29,13,230</b>

### Nature of Security and Terms of Repayment for Long Term Borrowings

Nature of Security	Terms of Repayment
(1) Auto Loan with the outstanding balance of ₹ 2.24 lacs (March 2013 : ₹ 29.27 lacs) is secured by exclusive charge on specific Motor vehicle	Repayable in 36 monthly installments commencing from June 2011 and the last installment due in April 2014. Rate of Interest at 9.16% p.a.
(2) Auto Loan with the outstanding balance of ₹ 3.39 lacs (March 2013 : ₹ 6.72 lacs) is secured by exclusive charge on Specific Motor vehicle	Repayable in 36 monthly installments commencing from April 2012 and the last installment due in February 2015. Rate of Interest at 10.90% p.a.
(3) Auto Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 2.61 lacs) is secured by exclusive charge on Specific Motor vehicle	Repayable in 36 monthly installments commencing from October 2010 and the last installment due in September 2013. Rate of Interest at 9.40% p.a.
(4) Auto Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 3.29 lacs) is secured by exclusive charge on Specific Motor vehicle	Repayable in 36 monthly installments commencing from Jan 2011 and the last installment due in January 2014. Rate of Interest at 9.40% p.a.
(5) Auto Loan with the outstanding balance of ₹ 2.12 lacs (March 2013 : ₹ 5.43 lacs) is secured by exclusive charge on Specific Motor vehicle	Repayable in 36 monthly installments commencing from Nov. 2011 and the last installment due in October 2014. Rate of Interest at 10.70% p.a.
(6) Auto Loan with the outstanding balance of ₹ 5.44 lacs (March 2013 : ₹ 12.83 lacs) is secured by exclusive charge on Specific Motor vehicles	Repayable in 36 monthly installments commencing from Dec. 2011 and the last installment due in November 2014. Rate of Interest at 9.80% p.a.
(7) Term Loan with the outstanding balance of ₹ 487.77 lacs (March 2013 : ₹ 638.63 lacs) is secured by exclusive charge on Specific Machineries	Repayable in 48 monthly installments commencing from Dec 2012 and the last installment due in October 2016. Rate of Interest at 8.00% p.a.
(8) Term Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 1691.38 lacs) is secured by exclusive charge on the specific Machineries.	Repayable in 42 monthly installments commencing from August 2012 and the last installment due in October 2015. Rate of Interest at 13.00% p.a.
(9) Term Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 2519.28 lacs) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2012 and the last installment due in Sept. 2015. Rate of Interest at 12.60% p.a.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**
**Nature of Security and Terms of Repayment for Long Term Borrowings**

Nature of Security	Terms of Repayment
(10) Term Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 2541.39 lacs) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2012 and the last installment due in Sept. 2015. Rate of Interest at 12.60% p.a.
(11) Term Loan (ECB) with the outstanding balance of ₹ Nil (March 2013 : ₹ 315.58 lacs) is secured by exclusive charge on the specific Machineries.	Repayable in half yearly installments with the last installment due in July 2013. Rate of Interest at 9.65% p.a.
(12) Term Loan with the outstanding balance of ₹ 27.73 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the vehicles.	Repayable in 36 monthly installments with the last installment due in June 2016. Rate of Interest at 10.25% p.a.
(13) Term Loan with the outstanding balance of ₹ 15.71 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the vehicles.	Repayable in 36 monthly installments with the last installment due in May 2016. Rate of Interest at 10.75% p.a.
(14) Term Loan with the outstanding balance of ₹ 12.03 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the vehicles.	Repayable in 36 monthly installments with the last installment due in June 2016. Rate of Interest at 10.25% p.a.
(15) Term Loan with the outstanding balance of ₹ 21.99 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific Machinery.	Repayable in 36 monthly installments with the last installment due in Dec. 2016. Rate of Interest at 10.60% p.a.
(16) Term Loan with the outstanding balance of ₹ 1548.39 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a.
(17) Term Loan with the outstanding balance of ₹ 2294.11 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a.
(18) Term Loan with the outstanding balance of ₹ 2314.65 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a.
(19) Term Loan with the outstanding balance of ₹ 3000.00 lacs (March 2013 : ₹ 3000.00 lacs) is secured by first & exclusive charge on the specific immovable property with the security cover of 100% of the loan amount along with the other securities	Repayable in 60 months payable in quarterly installment with the moratorium period of 12 months from the date of 22.03.2013 Rate of interest at 13.00% p.a.
(20) Term Loan with the outstanding balance of ₹ 5037.57 lacs (March 2013 : ₹ 3091.61 lacs) is secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 30 months payable in quarterly installment with the moratorium period of 12 months and thereafter the quarterly repayment on phased manner. Rate of interest at 12.50% p.a.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

### Nature of Security and Terms of Repayment for Long Term Borrowings

Nature of Security	Terms of Repayment
(21) Corporate Loan with the outstanding balance of ₹ 1921.43 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific immovable property along with the subservient charge on movable fixed assets & current assets	Repayable in 10 Quarterly Installments with the moratorium period of Six months. Rate of interest at 13.10% p.a.
(22) Term Loan with the outstanding balance of ₹ 3036.89 lacs (March 2013 : ₹ Nil) is secured by first & exclusive charge on the project receivables for EPC from Rapti Nhar Nirman Mandal-II Irrigation Depart, Basti, Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 36 months payable in quarterly installment with the moratorium period of 12 months. Rate of interest at 12.25% p.a.

Installments falling due in respect of all the above loans up to 31.3.2015 aggregating to ₹ 5229.33 lacs have been grouped under “Current maturities of long term debts-Banks” (Refer note no. 8a)

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>4. DEFERRED TAX LIABILITIES (Net)</b>		
Deferred Tax Liabilities Related to Depreciation and amortisation Charged to Statement of Profit & Loss	24,71,99,946	22,97,90,415
	1,22,04,453	1,74,09,531
	<b>25,94,04,399</b>	<b>24,71,99,946</b>
<b>5. OTHER LONG TERM LIABILITIES</b>		
a. Advance from Contractees	45,68,33,924	30,24,79,485
b. Non Current Liabilities – Trade	69,93,13,581	79,86,46,948
c. Non Current Liabilities – Others	80,79,43,936	63,93,88,809
	<b>1,96,40,91,441</b>	<b>1,74,05,15,242</b>
<b>6. SHORT TERM BORROWINGS</b>		
From Banks : *		
a. Working Capital Loans – Cash Credit Limits	63,71,04,427	39,57,06,646
b. Other Short Term Facilities	22,97,17,142	36,23,83,645
	<b>86,68,21,569</b>	<b>75,80,90,291</b>
i. * Working Capital Loans are secured by Hypothecation of Book Debts, Current Assets, Unencumbered Plant & Machinery and Specific Immovable Properties as per the sanction terms.		
ii. * Other Short Term Facilities from Banks are either unsecured and/or against the securities offered under the working capital loans.		
<b>7. TRADE PAYABLES</b>		
Sundry Creditors	1,25,98,07,554	1,13,59,28,816
For Goods Purchased, Services Received from Professionals and Others under contracts.		
	<b>1,25,98,07,554</b>	<b>1,13,59,28,816</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>8. OTHER CURRENT LIABILITIES</b>		
a. Current Maturities of Long Term Debts - Banks	52,29,33,594	29,38,43,261
b. Current Maturities of Advance from Contractees	49,05,04,367	42,80,23,914
c. Current Maturities of Fixed Deposits	12,49,30,000	15,59,29,000
d. Unclaimed Dividends *	14,76,072	7,72,148
e. Statutory Remittances	7,91,36,544	17,36,58,537
f. Secured Advance from Contractees	14,15,45,378	13,86,30,225
g. Others	36,32,18,752	16,85,46,350
	<b>1,72,37,44,707</b>	<b>1,35,94,03,435</b>
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.		
<b>9. SHORT TERM PROVISIONS</b>		
a. Proposed Dividend	1,46,47,519	1,95,30,025
b. Tax on Dividend	24,89,346	31,68,258
	<b>1,71,36,865</b>	<b>2,26,98,283</b>

**10. FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Addition	Deduction	As at 31.03.2014	Upto 31.03.2013	For the Year	Adjustment	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>										
Land	4,02,63,214	—	—	4,02,63,214	—	—	—	—	4,02,63,214	4,02,63,214
Buildings	3,64,64,803	—	—	3,64,64,803	1,01,47,278	5,94,376	—	1,07,41,654	2,57,23,149	2,63,17,525
Plant & Machinery	1,89,41,79,578	3,89,16,031	—	1,93,30,95,609	43,16,46,325	9,10,12,667	—	52,26,58,992	1,41,04,36,617	1,46,25,33,253
Furniture and Fixtures	6,12,92,180	32,17,963	—	6,45,10,143	2,86,73,330	35,19,138	—	3,21,92,468	3,23,17,675	3,26,18,850
Vehicles	14,54,34,306	1,03,15,102	46,070	15,57,03,338	8,34,49,219	1,63,73,726	9,712	9,98,13,233	5,58,90,105	6,19,85,087
<b>Total</b>	2,17,76,34,081	5,24,49,096	46,070	2,23,00,37,107	55,39,16,152	11,14,99,907	9,712	66,54,06,347	1,56,46,30,760	1,62,37,17,929
Previous Year	2,13,96,13,621	7,70,52,744	3,90,32,284	2,17,76,34,081	46,77,27,861	10,67,37,736	2,05,49,445	55,39,16,152	1,62,37,17,929	1,67,18,85,760

The additional charge of depreciation of ₹ 6,94,006/- (Previous Year ₹ 6,94,006/-) on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

### 11. NON CURRENT INVESTMENTS

PARTICULARS	As at 31-03-2014		As at 31-03-2013	
	Qty. Nos.	Book value ₹	Qty. Nos.	Book value ₹
<b>LONG TERM INVESTMENTS (AT COST)</b>				
<b>A. EQUITY SHARES : UNQUOTED &amp; FULLY PAID</b>				
The Saraswat Co-op. Bank Ltd. (Face Value ₹ 10/- each)	2,500	25,000	2,500	25,000
The Janakalyan Sahakari Bank Ltd. (Face Value ₹ 10/- each)	50,000	5,00,000	50,000	5,00,000
Valecha Chambers Condominium (Face Value ₹ 100/- each)	37	3,700	37	3,700
Varun Cements Ltd. (Face Value ₹ 10/- each)	42,800	2,20,000	42,800	2,20,000
Bhubaneshwar Express Ways Pvt. Ltd. (Face Value ₹ 10/- each)	2,68,76,200	26,87,62,000	2,68,76,200	26,87,62,000
Valecha Reality Ltd. (Face Value ₹ 10/- each)	24,950	2,49,500	24,950	2,49,500
Aryavrat Tollways Pvt. Ltd. - Voting Shares (Face Value ₹ 10/- each)	4,900	49,000	—	—
Aryavrat Tollways Pvt. Ltd. - Non-Voting Shares (Face Value ₹ 10/- each)	44,100	4,41,000	—	—
<b>Total</b>		<b>27,02,50,200</b>		<b>26,97,60,200</b>
<b>B. INVESTMENT IN SUBSIDIARY COMPANIES</b>				
Valecha Infrastructure Limited (Face Value ₹ 10/- each)	50,000	5,00,000	50,000	5,00,000
Valecha International (FZE) - (Face Value)	1	24,49,710	1	22,17,102
Professional Realtors Pvt. Ltd. (Face Value ₹ 10/- each)	10,000	1,80,45,000	10,000	1,80,45,000
Valecha Kachchh Toll Roads Ltd. (Face Value ₹ 10/- each)	2,98,35,000	29,83,50,000	25,500	2,55,000
Valecha Kachchh Toll Roads Ltd. (Promotor's Contribution)	—	32,81,00,000	—	39,50,00,000
<b>Total</b>		<b>64,74,44,710</b>		<b>41,60,17,102</b>
<b>C. BUILDING – VALECHA CHAMBERS</b>				
<b>Abstract :</b>				
A. Equity Shares : Unquoted		27,02,50,200		26,97,60,200
B. Investment in Subsidiary Companies		64,74,44,710		41,60,17,102
C. Building - Valecha Chambers		4,49,73,441		4,49,73,441
<b>Grand Total</b>		<b>96,26,68,351</b>		<b>73,07,50,743</b>

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>12. LONG TERM LOANS &amp; ADVANCES</b>				
Security Deposit (Unsecured and considered good)		1,33,94,506		83,16,068
		1,33,94,506		83,16,068
<b>13. INVENTORIES</b>				
Closing Stock of Materials		58,18,94,716		52,78,66,125
		58,18,94,716		52,78,66,125
<b>14. TRADE RECEIVABLES</b>				
(Unsecured and considered Good)				
a. Exceeding six months		56,99,21,076		44,53,37,590
b. Within six months		1,93,52,12,636		1,59,81,81,588
		2,50,51,33,712		2,04,35,19,178

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>15. CASH AND CASH EQUIVALENTS</b>				
a. Cash on Hand		41,61,329		66,15,663
b. Bank Balances				
i. Current Accounts		25,14,01,127		15,09,55,817
ii. Unclaimed Dividend Accounts		14,76,072		7,72,148
iii. In Deposit Accounts (Lien against Bank Guarantees, Letter of Credits and EMD's)		46,11,58,466		55,59,60,757
		<b>71,81,96,994</b>		<b>71,43,04,385</b>
<b>16. SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured and Considered Good)				
a. Loans and Advances to Subsidiary Companies		1,92,85,74,650		1,80,45,75,762
b. Loans and Advances to Related Parties		12,61,45,700		10,69,88,597
c. Loans and Advances to Employees		94,78,350		1,03,93,967
d. Duties & Taxes Recoverable		28,67,92,479		25,69,18,836
e. Advances Recoverable in Cash or in kind or for value to be received		1,53,94,50,936		1,22,66,73,024
f. Deposits with Contractees		65,16,43,296		67,30,50,128
g. Advance Income Tax Paid	45,67,15,477		34,32,71,661	
Less : Provisions for Income Tax	30,15,78,000	15,51,37,477	22,40,78,000	11,91,93,661
		<b>4,69,72,22,888</b>		<b>4,19,77,93,975</b>
<b>17. OTHER CURRENT ASSETS</b> Projects in Progress		7,39,03,536		2,17,01,406
		<b>7,39,03,536</b>		<b>2,17,01,406</b>
<b>18. REVENUE FROM OPERATIONS</b> Revenue from Operation		6,70,27,06,395		7,39,71,96,571
		<b>6,70,27,06,395</b>		<b>7,39,71,96,571</b>
<b>19. OTHER INCOME</b>				
a. Interest Income		6,62,00,029		7,29,26,853
b. Rental Income		4,22,92,444		4,63,29,136
c. Miscellaneous Income		1,07,73,345		1,46,35,920
d. Profit on Foreign Exchange Fluctuation		1,80,13,570		1,05,84,488
		<b>13,72,79,388</b>		<b>14,44,76,397</b>
<b>20. CONSTRUCTION EXPENSES</b>				
a. Materials Purchase		1,77,33,87,947		1,41,81,90,708
b. Sub-Contracting and Transportation Expenses		2,65,31,97,610		3,57,76,16,919
c. Power and Fuel		22,54,73,289		19,34,41,746
d. Value Added Tax, Service Tax & Labour Cess		10,82,11,562		8,52,91,456
e. Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		40,87,56,502		56,58,05,493
f. Insurance		1,92,61,424		2,10,96,325
g. Site Expenses		45,13,06,558		47,17,45,821
		<b>5,63,95,94,892</b>		<b>6,33,31,88,468</b>
h. Changes in Inventories				
Opening Stock	52,78,66,125		44,58,20,620	
Less : Closing Stock	58,18,94,716	(5,40,28,591)	52,78,66,125	(8,20,45,505)
		<b>5,58,55,66,301</b>		<b>6,25,11,42,963</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>21. EMPLOYEE BENEFIT EXPENSES</b>				
a. Salaries, Wages, Gratuity and Bonus		35,03,61,154		36,02,20,375
b. Contribution to Provident and other funds		1,73,80,455		1,84,88,900
c. Welfare Expenses		15,55,725		13,52,440
		<b>36,92,97,334</b>		<b>38,00,61,715</b>

### Employees' Retirement and other Benefits :

Defined contribution Plan : The Company's contribution to provident fund is charged to Statement of Profit and Loss.

Defined benefit plan : The Company's liability towards Gratuity is determined by Independent actuaries using the projected credit method. Actual gain and losses are recognised immediately in the Statement of Profit & Loss. Obligation is measured at the Present value of the estimated future cash flow using a discounted rate i.e. determined by the market yield at the Balance Sheet date.

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2014.

Particulars	Amount (₹)
<b>Changes in Present value of Obligations</b>	
Present value of Obligations as at beginning of year	1,58,16,155
Interest Cost	12,65,292
Current Service Cost	16,35,691
Benefits paid	(7,35,872)
Actuarial (Gain)/Loss on Obligations	(9,94,213)
Present value of obligations as at end of year	1,69,87,053
<b>Changes in the fair value of plan assets</b>	
Fair value of plan assets at beginning of year	1,48,20,161
Expected return on plan assets	12,94,494
Contributions	3,20,335
Benefits paid	(7,35,872)
Actuarial (Gain)/Loss on Plan assets	—
Fair value of plan assets at the end of year	1,56,99,118
<b>The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss</b>	
Present value of obligations as at the end of year	1,69,87,053
Fair value of plan assets as at the end of the year	1,56,99,118
Funded status	(12,87,935)
Liability/(Assets) recognised in balance sheet	12,87,935
<b>Expenses Recognised in Statement of Profit &amp; Loss</b>	
Current Service Cost	16,35,691
Interest Cost	12,65,292
Expected return on plan assets	(12,94,494)
Net Actuarial (Gain)/Loss recognized in the year	(9,94,213)
Expenses recognized in statement of Profit & Loss	6,12,276

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>22. FINANCIAL COST</b>		
<b>Interest Expenses</b>		
a. Banks	18,36,29,810	20,27,80,870
b. Financial Institutions	13,03,49,918	9,13,04,400
c. Others	10,26,26,434	8,08,70,848
	<b>41,66,06,162</b>	<b>37,49,56,118</b>
<b>23. DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
Depreciation & Amortisation	11,14,99,907	10,67,37,736
Less : Transfer from Revaluation Reserves (Refer Note No. 10)	6,94,006	6,94,006
	<b>11,08,05,901</b>	<b>10,60,43,730</b>
<b>24. OTHER EXPENSES</b>		
a. Rates and taxes	33,53,520	37,70,538
b. Printing and stationery	9,30,976	10,21,907
c. Telephone and Postage	22,57,610	22,76,166
d. Advertisement	1,75,047	2,51,515
e. Traveling and conveyance	6,16,450	7,94,941
f. Business promotion	7,80,667	24,61,418
g. Electricity charges	17,46,316	17,68,574
h. Professional Fees	1,80,56,245	3,48,13,347
i. Office Maintenance	57,20,909	83,52,758
j. Tender Expenses	46,08,122	1,84,18,841
k. Bank charges	1,61,51,412	1,27,44,574
l. Directors Remuneration	1,70,18,908	1,73,39,096
m. Commission to Non-executive Directors	17,50,000	17,50,000
n. Payments to Auditor	14,23,598	13,17,974
o. General expenses	58,61,355	52,77,947
p. Loss on sale of assets	11,839	1,16,21,396
q. Donation	25,000	10,51,001
	<b>8,04,87,974</b>	<b>12,50,31,993</b>
<b>24.1 PAYMENT TO AUDITOR</b>		
Audit Fees	11,50,000	10,50,000
Certification and Other Services including Service Tax	2,73,598	2,67,974
	<b>14,23,598</b>	<b>13,17,974</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>25. EARNING PER SHARE</b>		
1. Net Profit after Tax (With Extraordinary Income)	18,75,17,658	20,70,26,918
Less : Extraordinary Income	—	—
2. Net Profit after Tax & Extraordinary Income	18,75,17,658	20,70,26,918
3. Weighted average Number of shares for Basic EPS (Numbers)	1,95,30,025	1,95,30,025
4. Weighted average Number of shares for Diluted EPS (Numbers)	1,95,30,025	1,95,30,025
5. Basic & Diluted Earning Per share	9.60	10.60
<b>26. EXPENDITURE IN FOREIGN CURRENCY</b>		
i. C.I.F. Value of Imports		
a. Capital Goods	35,87,010	6,01,73,200
b. Components & Spare Parts	18,18,931	20,83,088
ii. Technical & Engineering Fees	36,85,368	24,05,593
iii. Travelling & Other Expenses	—	1,26,442

### 27. RELATED PARTY DISCLOSURES

Disclosure as required by the Accounting Standard 18 “Related Party Disclosures” are given below :

Name of the Related Party	Nature of Relationship	% of Profit
<b>(A) Particulars of Subsidiary and Associate Companies</b>		
1. Valecha Infrastructure Ltd.	Wholly Owned Subsidiary Company	100%
2. Valecha International (FZE)	Wholly Owned Subsidiary Company	100%
3. Professional Realtors Pvt. Ltd.	Wholly Owned Subsidiary Company	100%
4. Valecha LM Toll Pvt. Ltd.	Subsidiary Company	74%
5. Valecha Badwani Sendhawa Toll Ways Ltd.	Subsidiary Company	74%
6. Valecha Kachchh Toll Roads Ltd.	Subsidiary Company	51%
7. Valecha Reality Ltd.	Associate Company	49.90%
8. Bhubaneshwar Express Ways Pvt. Ltd.	Associate Company	40%
9. Aryavrat Projects & Developers Pvt. Ltd.	Associate Company (voting shares 4.98%)	49%
10. Gopaldas Vasudev Construction Pvt. Ltd.	Associate Company	Nil
11. Valecha Investment Pvt. Ltd	Associate Company	Nil
12. Valecha Power Ltd.	Associate Company	Nil
13. Valecha Gulf Contracting & Foundations L.L.C.	Associate Company	Nil
<b>(B) Particulars of Joint Ventures</b>		
1. Ashoka Buildcon - VEL (Joint Venture)	Joint Venture Member	
2. Valecha - ECCI (Joint Venture)	Joint Venture Member	
3. Valecha - SGG (Joint Venture)	Joint Venture Member	
4. Valecha - Transtonelstroy (Joint Venture)	Joint Venture Member	
5. KSSIIPL - VEL (JV)	Joint Venture Member	
6. Valecha - VKJ (JV)	Joint Venture Member	
7. Valecha - Shivalaya - Intradel (JV)	Joint Venture Member	
<b>(C) Key Management Personnel</b>		
1. Anil Harish	Chairman	
2. Jagdish K. Valecha	Managing Director	
3. Umesh H. Valecha	Whole Time Director	
4. Dinesh H. Valecha	Whole Time Director	
5. Arvind Thakkar	Director	
6. G. Ramachandran	Director	
<b>(D) Others</b>		
1. Karan Jagdish Valecha	Sr. Executive	

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**
**Note:**

Related party relationship is as identified by Company and relied upon by the Auditor.

(Amount in ₹)

	2013-14	2012-13
<b>(E) Transactions with Associate Companies</b>		
1. Equity Contribution	26,95,01,500	26,90,11,500
2. Deposit/Loans/Repayment received during the year	13,57,99,990	25,03,39,568
3. Deposit/Loans given/Repaid during the year	15,48,60,016	25,70,55,438
4. Interest Received	1,26,68,150	1,07,50,016
5. Outstanding Balance - Amount Receivables	12,61,45,700	10,69,88,597
<b>(F) Transactions with Subsidiary Companies</b>		
1. Equity Contribution	31,93,44,710	2,10,17,102
2. Promotor Contribution/Application Money	32,81,00,000	39,50,00,000
3. Deposit/Loans/Repayment received during the year	47,41,216	7,05,24,473
4. Deposit/Loans given/Repaid during the year	12,88,37,181	30,55,91,937
5. Outstanding Balance - Amount Receivable	1,92,85,74,650	1,80,45,75,762
<b>(G) Transactions with Joint Ventures/Subsidiary Companies</b>		
1. Sales	2,21,13,88,456	1,90,88,89,971
2. Outstanding Balance – Amount Receivables	45,16,61,051	29,63,50,320
<b>(H) Transactions with Persons referred to in Item (C) above</b>		
1. Remuneration paid during the year	1,70,18,908	1,73,39,096
2. Sitting Fees	35,000	55,000
3. Commission	17,50,000	17,50,000
<b>(I) Transactions with Other Persons</b>		
1. Remuneration paid during the year	13,65,904	13,65,404

The Share of Companies Income/Expenditure and Receivables/Payables in case of contracts executed in Joint Venture/Consortium under the work Sharing arrangements are reflected in the books of account of the Company under the relevant heads of account, hence not considered again for Consolidation.

**28. CONTINGENT LIABILITIES**

Contingent Liabilities are not provided for and are disclosed by way of notes :

- i. Bank Guarantees and Letter of Credits outstanding amounting to ₹ 40,268.55 lacs. (Previous Year ₹ 37,163.78 lacs).
  - ii. Corporate Guarantee issued in favour of the lenders on behalf of Company's subsidiaries towards the Project Finance of BOT/Annuity Road Projects. As against the aggregate Project Finance amounts outstanding of ₹ 53,750 lacs (Previous year ₹ 41,310 lacs), Counter Guarantee issued in favour of the lenders is to the extent of ₹ 50,397.50 lacs (Previous Year ₹ 41,310 lacs). Company also holds the Corporate Guarantee of the Minority Share Holder amounting to ₹ 871.65 lacs (Previous Year ₹ 1,937.00 lacs), in its favour.
  - iii. Claims against the Company and disputed liabilities not acknowledged as debts are insignificant.
29. Since the principal business of the Company is construction activity quantitative data in respect of trading and manufacturing activities carried out by the company, as required by Part II of schedule VI to the Companies Act, 1956 is not applicable.
30. The Company has not received any information from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006. (The Act) and hence disclosures required under the said act have not been given. The Company is making efforts to get the confirmation from the suppliers as regards their status under the Act. However, none of the supplier has confirmed the same.
31. The previous years figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date  
For **D. M. JANI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.

Date : 30th May, 2014.

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY AS ON 31.03.2014

Sr. No.	Name of Subsidiary	Valecha Infrastructure Ltd.	Valecha LM Toll Pvt. Ltd.	Valecha Badwani Sendhwa Toll Ways Ltd.	Valecha Kutch Toll Roads Ltd.	Valecha International (FZE)	Professional Realtors Pvt. Ltd.
Number of Shares held and extent of holding thereof by the holding Company as on 31.03.2014.							
(a)	The Number of Equity Shares of ₹ 10/- each fully Paid.	50,000	74,00,000	37,00,000	2,98,35,000	1 (Face Value as on 31.03.2014 ₹ 24,49,710)	10,000
(b)	Extent of Holding in percentage terms.	100%	74%	74%	51%	100%	100%
The Net Aggregate of Profit or (Losses) of the Subsidiary Company of the current financial year so far as it concern the members of the holding Company.							
(a)	Dealt with or provided in the accounts of the holding Company (₹)	43,11,412	(10,73,57,712)	(2,74,62,260)	Nil	Nil	(816)
(b)	Not Dealt with or provided in the accounts of the holding Company (₹)	Nil	(3,77,20,277)	(96,48,902)	Nil	Nil	Nil
The Net Aggregate of Profit or (Losses) of the Subsidiary Company of the previous financial year so far as it concern the members of the holding company.							
(a)	Dealt with or provided in the accounts of the holding Company (₹)	59,40,832	(18,62,60,106)	(2,60,01,484)	Nil	Nil	(520)
(b)	Not Dealt with or provided in the accounts of the holding Company (₹)	Nil	(6,54,42,740)	(91,35,657)	Nil	Nil	Nil

Note: Investment in Valecha International (FZE) 1,50,000 AED. 1 AED = INR. 16.3314 as on 31.03.2014.

**FINANCIAL INFORMATION REGARDING SUBSIDIARY COMPANIES  
FOR THE FINANCIAL YEAR 2013-14**

(Amount in ₹)

Sr. No.	Particulars	Valecha Infrastructure Ltd.	Valecha LM Toll Pvt. Ltd.	Valecha Badwani Sendhwa Toll Ways Ltd.	Valecha Kutch Toll Roads Ltd.	Valecha International (FZE)	Professional Realtors Pvt. Ltd.
1.	Capital	5,00,000	10,00,00,000	5,00,00,000	58,50,00,000	24,49,710	1,00,000
2.	Reserves	3,34,82,345	(37,12,71,232)	(7,22,48,303)	—	—	(19,548)
3.	Total assets	1,68,57,11,986	2,60,58,87,198	89,62,01,621	3,64,21,44,614	18,97,09,705	21,57,127
4.	Total Liabilities	1,68,57,11,986	2,60,58,87,198	89,62,01,621	3,64,21,44,614	18,97,09,705	21,57,127
5.	Investment except in the case of investment in subsidiary	83,26,26,242	—	—	—	—	—
6.	Revenue from Operations	—	24,48,74,075	11,71,53,230	—	—	—
7.	Other Income	43,45,120	1,14,80,328	6,54,170	—	—	—
8.	Profit before Taxation	43,11,412	(15,35,95,001)	(4,20,00,427)	—	—	(816)
9.	Provision for tax - (Deferred Tax)	—	(85,17,012)	(48,89,265)	—	—	—
10.	Profit after Tax	43,11,412	(14,50,77,989)	(3,71,11,162)	—	—	(816)

**Notes :**

- 1 Please refer to consolidated financial statements and notes appearing there on.
- 2 The Board of Directors in their meeting held on 30th May, 2014 have passed the resolution for not attaching the financial of the subsidiary Company/(ies) to the financials of the Companies for the Financial year 2013-14 vide general circular no. 2/2011 dated 08.02.2011 issued by Ministry of Corporate Affairs.
- 3 Investment in Valecha international (FZE) 1,50,000 AED. 1 AED= INR. 16.3314 as on 31.03.2014.
- 4 The members if they desire, may write to the Company at the Registered Office situated at Valecha Chambers, 4th floor, Andheri New Link Road, Andheri (W), Mumbai-53 to obtain a copy of the financial of its subsidiary Companies.
- 5 The annual accounts of the subsidiary Companies can be inspected by the members at the Registered Office of the Company.

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF VALECHA ENGINEERING LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of VALECHA ENGINEERING LIMITED ("the Company"), and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting standards notified under the Companies Act, 1956 ("the Act"), which continued to be applicable in respect of section 133 of the Companies Act 2013 in terms of general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

We Report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21 – Consolidated Financial Statements, Accounting Standards (AS) 23 – Accounting for investments in associates in consolidated financial statements, and Accounting Standards (AS) 27 – Financial reporting of Interest in Joint Ventures notified under the Companies Act, 1956 (the 'Act') read with the General Circular no. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph mentioned below (Other Matters), and to the best of our information and according to the explanations given to us. In our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### Other Matters

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets (net) of ₹ 36,421.44 Lacs as at March 31, 2014. Total revenues (net) of ₹ Nil and net cash flows amounting to ₹ (199.98 Lacs) for the year ended on that date. These financial statement have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of certain subsidiaries whose financial statements reflect total assets (net) of ₹ 36,917.98 Lacs as at March 31, 2014. Total revenues (net) of ₹ 3,741.61 Lacs and net cash flows amounting to ₹ 27.38 Lacs for the year ended on that date. These unaudited financial statements have been certified by the respective Boards of Directors of these companies have been furnished to us by the Management and our report insofar as it relates to the amounts included in respect of subsidiaries is based solely on such certified unaudited financial statements.

For **D. M. JANI & CO.**  
FRN : 104047W  
*Chartered Accountants*

**DILIP M. JANI**  
*Proprietor*

Place : Mumbai  
Date : 30th May, 2014.

Membership No. 17259

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2014		As at 31st March, 2013	
<b>I. EQUITY AND LIABILITIES :</b>					
<b>1. Shareholders' Funds :</b>					
(a) Share Capital	1	19,53,00,250		19,53,00,250	
(b) Reserves & Surplus	2	2,74,33,24,639	2,93,86,24,889	2,70,16,88,030	2,89,69,88,280
<b>2. Share Application Money Pending Allotment</b>			—		4,20,00,000
<b>3. Minority Interest</b>			20,68,30,631		(2,87,00,900)
<b>4. Non Current Liabilities :</b>					
(a) Long Term Borrowings	3	7,35,79,76,669		5,89,75,13,230	
(b) Deferred Tax Liabilities (Net)	4	31,12,59,064		31,24,60,888	
(c) Other Long Term Liabilities	5	1,96,40,91,441	9,63,33,27,174	1,59,05,15,242	7,80,04,89,360
<b>5. Current Liabilities :</b>					
(a) Short Term Borrowings	6	86,68,21,569		75,80,90,291	
(b) Trade Payables	7	1,27,25,78,675		1,13,32,74,485	
(c) Other Current Liabilities	8	1,52,74,19,877		1,19,56,88,483	
(d) Short Term Provisions	9	1,71,36,865	3,68,39,56,986	2,26,98,283	3,10,97,51,542
<b>Total</b>			<b>16,46,27,39,680</b>		<b>13,82,05,28,282</b>
<b>II. ASSETS :</b>					
<b>1. Non Current Assets :</b>					
<b>(a) Fixed Assets :</b>	10				
(i) Tangible Assets		1,56,91,65,744		1,62,84,21,431	
(ii) Intangible Assets		3,30,80,05,180		3,49,03,48,689	
(iii) Intangible Assets under Development		3,25,74,12,618		1,41,67,67,744	
(iv) Capital Work in Progress		14,62,03,361	8,28,07,86,903	13,99,23,618	6,67,54,61,482
<b>(b) Non Current Investments</b>	11		1,16,57,94,883		1,16,53,04,883
<b>(c) Long Term Loans &amp; Advances</b>	12		1,62,00,372		83,16,068
<b>2. Current Assets :</b>					
(a) Inventories	13	58,18,94,716		52,78,66,125	
(b) Trade Receivables	14	2,41,52,04,005		1,89,49,47,246	
(c) Cash and Cash Equivalents	15	88,81,96,803		90,13,42,431	
(d) Short Term Loans & Advance	16	3,03,29,71,125		2,62,30,39,848	
(e) Other Current Assets	17	8,16,90,873	6,99,99,57,522	2,42,50,199	5,97,14,45,849
<b>Total</b>			<b>16,46,27,39,680</b>		<b>13,82,05,28,282</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Consolidated Financial Statements</b>	1 to 26				

As per our report of even date  
For **D. M. JANI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2014.

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2014		As at 31st March, 2013	
<b>I. INCOME</b>					
Revenue from Operations	18		7,06,47,33,700		7,64,34,72,227
Other Income	19		15,37,59,006		16,35,18,744
<b>Total Revenue</b>			<b>7,21,84,92,706</b>		<b>7,80,69,90,971</b>
<b>II. EXPENSES</b>					
Construction Expenses	20		5,65,07,30,141		6,34,38,02,358
Changes in Inventories	20		(5,40,28,591)		(8,20,45,505)
Employee Benefit Expenses	21		37,72,97,135		38,75,94,192
Financial Cost	22		76,22,23,604		65,91,52,562
Depreciation and Amortisation Expense	23		29,37,95,469		27,13,90,263
Other Expenses	24		10,25,37,667		13,83,12,388
<b>Total Expenses</b>			<b>7,13,25,55,425</b>		<b>7,71,82,06,258</b>
<b>III. PROFIT BEFORE EXTRAORDINARY ITEM &amp; TAX</b>					
			<b>8,59,37,281</b>		<b>8,87,84,713</b>
<b>IV. Extraordinary Item (Income)</b>			—		—
<b>V. PROFIT BEFORE TAX (III + IV)</b>			<b>8,59,37,281</b>		<b>8,87,84,713</b>
<b>VI. TAX EXPENSES</b>					
Current Tax		7,75,00,000		8,00,00,000	
Deferred Tax		(12,01,824)	7,62,98,176	8,26,57,475	16,26,57,475
<b>VII. PROFIT/(LOSS) FOR THE YEAR (BEFORE ADJUSTMENT FOR MINORITY INTEREST) (V - VI)</b>			<b>96,39,105</b>		<b>(7,38,72,762)</b>
<b>VIII. Add : Share of Loss Transferred to Minority Interest</b>			<b>5,08,73,469</b>		<b>7,45,78,397</b>
<b>IX. PROFIT/(LOSS) FOR THE YEAR (AFTER ADJUSTMENT FOR MINORITY INTEREST) (VII + VIII)</b>			<b>6,05,12,574</b>		<b>7,05,635</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Consolidated Financial Statements</b>	<b>1 to 26</b>				
<b>Earning Per Share of face value of ₹ 10/- each</b>					
– Basic & Diluted (In ₹)			<b>3.10</b>		<b>0.04</b>

As per our report of even date  
For **D. M. JANI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2014.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax and Extraordinary Items	8,59,37,281	8,87,84,713
<b>Add/(Deduct) Adjustment for :</b>		
Depreciation	29,37,95,469	27,13,90,263
Financial Cost	76,22,23,604	65,91,52,562
Dividend on Investment	(43,45,120)	(59,74,540)
Rent from Property	(4,22,92,444)	(4,63,29,136)
Miscellaneous Income	(1,08,12,639)	(1,46,35,920)
Interest Earned	(7,82,95,233)	(8,59,94,660)
Loss/(Profit) on Sale of Fixed Assets	11,839	1,16,21,396
<b>Operating Profit Before Working Capital Changes</b>	<b>1,00,62,22,757</b>	<b>87,80,14,678</b>
<b>Adjustment for :</b>		
Trade and Other Receivables	(90,33,46,334)	6,47,73,282
Inventories and Projects in Progress	(11,14,69,265)	(4,41,19,094)
Trade and Other Payables	65,22,20,450	19,36,78,913
<b>Cash Generated from Operations</b>	<b>64,36,27,608</b>	<b>1,09,23,47,779</b>
Direct Taxes (Paid)	(11,22,26,006)	(8,27,23,511)
Prior year adjustments	(10,45,094)	(1,23,65,889)
<b>Net Cash Flow from Operating Activities</b>	<b>53,03,56,508</b>	<b>99,72,58,379</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,89,35,71,511)	(2,42,99,02,906)
Proceeds from Sale of Fixed Assets	24,519	68,61,443
Changes in Capital WIP & Assets under Development	(62,79,743)	61,62,16,606
Proceeds from Sale of Investments	(4,90,000)	9,34,69,500
Dividend on Investment	43,45,120	59,74,540
Interest Earned	7,82,95,233	8,59,94,660
Rent and Miscellaneous Receipts	5,31,05,083	6,09,65,056
<b>Net Cash from Investing Activities</b>	<b>(1,76,45,71,299)</b>	<b>(1,56,04,21,101)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Share Application Money	(4,20,00,000)	4,20,00,000
Proceeds from Minority Interest	28,64,05,000	—
Proceeds from Long Term Borrowings	1,58,88,44,385	1,47,02,41,329
Proceeds from Unsecured Borrowings	6,40,10,387	11,39,40,000
Proceeds from Short Term Borrowings	10,87,31,278	(17,03,83,647)
Financial Cost	(76,22,23,604)	(65,91,52,562)
Dividend Paid	(1,95,30,025)	(1,95,30,025)
Dividend Tax Paid	(31,68,258)	(31,68,258)
<b>Net Cash Used in Financing Activities</b>	<b>1,22,10,69,163</b>	<b>77,39,46,837</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(1,31,45,628)</b>	<b>21,07,84,115</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>90,13,42,431</b>	<b>69,05,58,316</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>88,81,96,803</b>	<b>90,13,42,431</b>

As per our report of even date  
For **D. M. JANI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2014.



## **SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS**

### **A. Consolidation of Accounts**

The consolidated financial statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statement issued by Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the Financial Statements of Valecha Engineering Limited (Holding Company) and its Subsidiary Companies.

The share of Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated financial statement separately.

The share of Companies income/expenditures and receivables/payables in case of Contracts executed in Joint Ventures/Consortium under the Work sharing arrangements are reflected in the books of accounts of the Company under the relevant heads of account. Hence not considered again for consolidation.

### **B. Investments**

Investments other than subsidiaries have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investment”.

### **C. Other Significant Accounting Policies**

These are set out under “Significant Accounting Policies” as given in the Company’s separate Financial statements.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>1. SHARE CAPITAL</b>				
<b>Authorised</b>				
3,50,00,000 Equity Shares of ₹ 10/- each		<b>35,00,00,000</b>		35,00,00,000
<b>Issued &amp; Subscribed</b>				
1,95,30,025 Equity Shares of ₹ 10/- each fully paid-up.		<b>19,53,00,250</b>		19,53,00,250
		<b>19,53,00,250</b>		19,53,00,250

**Note 1 (a) Reconciliation of number of shares :**

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	Amount in ₹	No. of Shares held	Amount in ₹
Equity Shares :				
Shares at the beginning of the year	<b>1,95,30,025</b>	<b>19,53,00,250</b>	1,95,30,025	19,53,00,250
Add : Shares issued during the year	—	—	—	—
Shares at the end of the year	<b>1,95,30,025</b>	<b>19,53,00,250</b>	1,95,30,025	19,53,00,250

**Note 1 (b) Right, Preferences and restrictions attached to shares :**

The company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each share holder is eligible for one vote per share. The Dividend proposed by the Board of Directors is subject to the approval of share holders. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their share holding.

**Note 1 (c) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the company**

Name of the Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% held	No. of Shares	% held
Valecha Investment Pvt. Ltd.	<b>78,25,000</b>	<b>40.07</b>	78,25,000	40.07

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>2. RESERVES AND SURPLUS</b>				
<b>a. Securities Premium Account :</b>				
Balance as per last Balance Sheet		<b>91,35,96,609</b>		91,35,96,609
<b>b. Revaluation Reserve :</b>				
Balance as per last Balance Sheet	<b>73,48,866</b>		80,42,872	
Less : Transfer to Statement of Profit & Loss *	<b>6,94,006</b>	<b>66,54,860</b>	6,94,006	73,48,866
<b>c. General Reserve :</b>				
Balance as per last Balance Sheet	<b>39,89,80,873</b>		35,89,80,873	
Add : Transfer from surplus in Statement of Profit & Loss	<b>4,00,00,000</b>	<b>43,89,80,873</b>	4,00,00,000	39,89,80,873
<b>d. Surplus in Statement of Profit &amp; Loss :</b>				
Balance as per last Balance Sheet	<b>1,38,17,61,682</b>		1,45,61,20,219	
Add : Profit for the Year	<b>6,05,12,574</b>		7,05,635	
Less : Prior Year Adjustments for Taxes & Others	<b>10,45,094</b>		1,23,65,889	
	<b>1,44,12,29,162</b>		1,44,44,59,965	
Less : Appropriations				
Transfer to General Reserves	<b>4,00,00,000</b>		4,00,00,000	
Proposed Dividend	<b>1,46,47,519</b>		1,95,30,025	
Tax on Dividend	<b>24,89,346</b>	<b>1,38,40,92,297</b>	31,68,258	1,38,17,61,682
		<b>2,74,33,24,639</b>		2,70,16,88,030

\* The additional charge of depreciation on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>3. LONG TERM BORROWINGS</b>		
<b>a. Secured</b>		
<b>Term Loans :</b>		
i. From Banks	6,06,60,65,178	4,61,50,01,350
ii. From Financial Institutions	76,28,47,104	84,84,56,880
<b>b. Unsecured</b>		
1. Fixed Deposits	34,59,64,387	25,09,55,000
2. Compulsory Convertible Debentures	18,31,00,000	18,31,00,000
	<b>7,35,79,76,669</b>	<b>5,89,75,13,230</b>

### Nature of Security and Terms of Repayment for Long Term Secured Borrowings

Nature of Security	Terms of Repayment
(1) Auto Loan with the outstanding balance of ₹ 2.24 lacs (March 2013 : ₹ 29.27 lacs) is secured by exclusive charge on specific Motor vehicle.	Repayable in 36 monthly installments commencing from June 2011 and the last installment due in April 2014. Rate of Interest at 9.16% p.a.
(2) Auto Loan with the outstanding balance of ₹ 3.39 lacs (March 2013 : ₹ 6.72 lacs) is secured by exclusive charge on specific Motor vehicle.	Repayable in 36 monthly installments commencing from April 2012 and the last installment due in February 2015. Rate of Interest at 10.90% p.a.
(3) Auto Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 2.61 lacs) is secured by exclusive charge on specific Motor vehicle.	Repayable in 36 monthly installments commencing from October 2010 and the last installment due in September 2013. Rate of Interest at 9.40% p.a.
(4) Auto Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 3.29 lacs) is secured by exclusive charge on specific Motor vehicle.	Repayable in 36 monthly installments commencing from Jan. 2011 and the last installment due in January 2014. Rate of Interest at 9.40% p.a.
(5) Auto Loan with the outstanding balance of ₹ 2.12 lacs (March 2013 : ₹ 5.43 lacs) is secured by exclusive charge on specific Motor vehicle.	Repayable in 36 monthly installments commencing from Nov. 2011 and the last installment due in October 2014. Rate of Interest at 10.70% p.a.
(6) Auto Loan with the outstanding balance of ₹ 5.44 lacs (March 2013 : ₹ 12.83 lacs) is secured by exclusive charge on specific Motor vehicle.	Repayable in 36 monthly installments commencing from Dec. 2011 and the last installment due in November 2014. Rate of Interest at 9.80% p.a.
(7) Term Loan with the outstanding balance of ₹ 487.77 lacs (March 2013 : ₹ 638.63 lacs) is secured by exclusive charge on specific Machineries.	Repayable in 48 monthly installments commencing from Dec. 2012 and the last installment due in October 2016. Rate of Interest at 8.00% p.a.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**
**Nature of Security and Terms of Repayment for Long Term Borrowings**

Nature of Security	Terms of Repayment
(8) Term Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 1691.38 lacs) is secured by exclusive charge on the specific Machineries.	Repayable in 42 monthly installments commencing from August 2012 and the last installment due in October 2015. Rate of Interest at 13.00% p.a.
(9) Term Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 2519.28 lacs) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2012 and the last installment due in Sept. 2015. Rate of Interest at 12.60% p.a.
(10) Term Loan with the outstanding balance of ₹ Nil (March 2013 : ₹ 2541.39 lacs) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2012 and the last installment due in Sept. 2015. Rate of Interest at 12.60% p.a.
(11) Term Loan (ECB) with the outstanding balance of ₹ Nil (March 2013 : ₹ 315.58 lacs) is secured by exclusive charge on the specific Machineries.	Repayable in half yearly installments with the last installment due in July 2013. Rate of Interest at 9.65% p.a.
(12) Term Loan with the outstanding balance of ₹ 27.73 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the vehicles.	Repayable in 36 monthly installments with the last installment due in June 2016. Rate of Interest at 10.25% p.a.
(13) Term Loan with the outstanding balance of ₹ 15.71 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the vehicles.	Repayable in 36 monthly installments with the last installment due in May 2016. Rate of Interest at 10.75% p.a.
(14) Term Loan with the outstanding balance of ₹ 12.03 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the vehicles.	Repayable in 36 monthly installments with the last installment due in June 2016. Rate of Interest at 10.25% p.a.
(15) Term Loan with the outstanding balance of ₹ 21.99 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments with the last installment due in Dec. 2016. Rate of Interest at 10.60% p.a.
(16) Term Loan with the outstanding balance of ₹ 1548.39 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a.
(17) Term Loan with the outstanding balance of ₹ 2294.11 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a.
(18) Term Loan with the outstanding balance of ₹ 2314.65 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a.
(19) Term Loan with the outstanding balance of ₹ 3000.00 lacs (March 2013 : ₹ 3000.00 lacs) is secured by first & exclusive charge on the specific immovable property with the security cover of 100% of the loan amount along with the other securities.	Repayable in 60 months payable in quarterly installment with the moratorium period of 12 months from the date of 22.03.2013. Rate of Interest at 13.00% p.a.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

### Nature of Security and Terms of Repayment for Long Term Borrowings

Nature of Security	Terms of Repayment
(20) Term Loan with the outstanding balance of ₹ 5037.57 lacs (March 2013 : ₹ 3091.61 lacs) is secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 30 months payable in quarterly installment with the moratorium period of 12 months and thereafter the quarterly repayment on phased manner. Rate of Interest at 12.50% p.a.
(21) Corporate Loan with the outstanding balance of ₹ 1921.43 lacs (March 2013 : ₹ Nil) is secured by exclusive charge on the specific immovable property along with the subservient charge on movable fixed assets & current assets.	Repayable in 10 quarterly installments with the moratorium period of Six months. Rate of Interest at 13.10% p.a.
(22) Term Loan with the outstanding balance of ₹ 3036.89 lacs (March 2013 : ₹ Nil) is secured by first & exclusive charge on the project receivables for EPC from Rapti Nahar Nirman Mandal-II Irrigation Depart, Basti, Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 36 months payable in quarterly installment with the moratorium period of 12 months. Rate of Interest at 12.25% p.a.
(23) Term Loan in Valecha Infrastructure Limited with the outstanding balance of ₹ 725.00 lacs (March 2013: ₹ 1150.00 lacs) is secured by pledge of shares.	Repayable in 5 years, payable yearly on phased manner after the moratorium period of 3 years from the date of 18.02.2011. Rate of Interest at 12.82% p.a. (Previous year 12.82% p.a.)
(24) Term Loan by way of Project Finance in Valecha LM Toll Pvt Limited with the outstanding balance of ₹ 21100.00 lacs (March 2013: ₹ 21100.00 lacs) is secured by first mortgage charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities.	Repayable in 44 unequal quarterly installments, to commence from 31st March, 2015. Rate of Interest at 12.25% p.a. (Previous year 12.00% p.a.)
(25) Term Loan by way of Project Finance in Valecha Badwani Sendhwa Tollways Limited with the outstanding balance of ₹ 6705.00 lacs (March 2013: ₹ 7450.00 lacs) is secured by first charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities.	Repayable in 47 unequal quarterly installments, to commence from 30th September, 2013. Rate of Interest at 11.95% p.a. (Previous year 11.95% p.a.)
(26) Term Loan by way of Project Finance in Valecha Kachchh Toll Roads Limited with the outstanding balance of ₹ 25945.00 lacs (March 2013: ₹ 12760.00 lacs) is secured by first charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities.	Repayable in 39 structured quarterly installments, to commence from June, 2015. Rate of Interest at 12.50% p.a. (Previous year 12.50% p.a.)

Instalments falling due in respect of all the above loans up to 31.03.2015 aggregating to ₹ 5917.33 lacs have been grouped under “Current maturities of long term debts-Banks” (Refer Note No. 8 a).

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>4. DEFERRED TAX LIABILITIES/(ASSETS) (Net)</b>		
<b>Deferred Tax Liabilities/(Assets)</b>		
Deferred Tax Liabilities/(Assets) Related to Depreciation and Amortisation Charged to Statement of Profit & Loss	31,24,60,888 (12,01,824)	22,98,03,413 8,26,57,475
	<b>31,12,59,064</b>	<b>31,24,60,888</b>
<b>5. OTHER LONG TERM LIABILITIES</b>		
(a) Advance from Contractees	45,68,33,924	15,24,79,485
(b) Non Current Liabilities – Trade	69,93,13,581	79,86,46,948
(c) Non Current Liabilities – Others	80,79,43,936	63,93,88,809
	<b>1,96,40,91,441</b>	<b>1,59,05,15,242</b>
<b>6. SHORT TERM BORROWINGS</b>		
From Banks : *		
(a) Working Capital Loans – Cash Credit Limits	63,71,04,427	39,57,06,646
(b) Other Short Term Facilities	22,97,17,142	36,23,83,645
	<b>86,68,21,569</b>	<b>75,80,90,291</b>
i. * Working Capital Loans are secured by Hypothecation of Book Debts, Current Assets, Unencumbered Plant & Machinery and Specific Immovable Properties as per the sanction terms.		
ii. * Other Short Term Facilities from Banks are either unsecured and/or against the securities offered under the working capital loans.		
	As at 31.03.2014	As at 31.03.2013
<b>7. TRADE PAYABLES</b>		
Sundry Creditors	1,27,25,78,675	1,13,32,74,485
For Goods Purchased, Services Received from Professionals and Others under contracts.		
	<b>1,27,25,78,675</b>	<b>1,13,32,74,485</b>
<b>8. OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long Term Debts – Banks	59,17,33,594	36,83,43,261
(b) Current Maturities of Advances from Contractees	11,31,77,505	14,11,80,676
(c) Current Maturities of Fixed Deposits	12,49,30,000	15,59,29,000
(d) Unclaimed Dividends *	14,76,072	7,72,148
(e) Statutory Remittances	8,29,64,950	18,01,03,570
(f) Secured Advance from Contractees	14,15,45,378	12,90,57,815
(g) Others	47,15,92,378	22,03,02,013
	<b>1,52,74,19,877</b>	<b>1,19,56,88,483</b>
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.		
<b>9. SHORT TERM PROVISIONS</b>		
(a) Proposed Dividend	1,46,47,519	1,95,30,025
(b) Tax on Dividend	24,89,346	31,68,258
	<b>1,71,36,865</b>	<b>2,26,98,283</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

### 10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Addition	Deduction	As at 31.03.2014	Upto 31.03.2013	For the Year	Adjustment	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>										
Land	4,09,54,039	—	—	<b>4,09,54,039</b>	—	—	—	—	<b>4,09,54,039</b>	4,09,54,039
Buildings	3,64,64,803	—	—	<b>3,64,64,803</b>	1,01,47,278	5,94,376	—	<b>1,07,41,654</b>	<b>2,57,23,149</b>	2,63,17,525
Plant & Machinery	1,89,48,17,378	3,89,16,031	—	<b>1,93,37,33,409</b>	43,16,81,263	9,10,80,605	—	<b>52,27,61,868</b>	<b>1,41,09,71,541</b>	1,46,31,36,115
Furniture and Fixtures	6,43,82,861	36,95,504	—	<b>6,80,78,365</b>	2,88,86,968	40,30,449	—	<b>3,29,17,417</b>	<b>3,51,60,948</b>	3,54,95,893
Vehicles	14,60,13,949	1,03,15,102	46,070	<b>15,62,82,981</b>	8,34,96,090	1,64,40,536	9,712	<b>9,99,26,914</b>	<b>5,63,56,067</b>	6,25,17,859
<b>Total</b>	2,18,26,33,030	5,29,26,637	46,070	<b>2,23,55,13,597</b>	55,42,11,599	11,21,45,966	9,712	<b>66,63,47,853</b>	<b>1,56,91,65,744</b>	1,62,84,21,431
Previous Year	2,14,11,86,191	8,04,79,123	3,90,32,284	2,18,26,33,030	46,77,47,563	10,70,13,481	2,05,49,445	55,42,11,599	1,62,84,21,431	1,67,34,38,628
<b>Capital Work-in-Progress</b>	13,99,23,618	1,39,90,703	77,10,960	<b>14,62,03,361</b>	—	—	—	—	<b>14,62,03,361</b>	13,99,23,618

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Addition	Deduction	As at 31.03.2014	Upto 31.03.2013	For the Year	Adjustment	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Intangible Assets</b>										
Concessionaire Right	3,69,31,70,351	—	—	<b>3,69,31,70,351</b>	20,28,21,662	18,23,43,509	—	<b>38,51,65,171</b>	<b>3,30,80,05,180</b>	3,49,03,48,689
<b>Total</b>	3,69,31,70,351	—	—	<b>3,69,31,70,351</b>	20,28,21,662	18,23,43,509	—	<b>38,51,65,171</b>	<b>3,30,80,05,180</b>	3,49,03,48,689
<b>Intangible Assets under Development</b>	1,41,67,67,744	1,84,06,44,874	—	<b>3,25,74,12,618</b>	—	—	—	—	<b>3,25,74,12,618</b>	1,41,67,67,744
<b>Total</b>	1,41,67,67,744	1,84,06,44,874	—	<b>3,25,74,12,618</b>	—	—	—	—	<b>3,25,74,12,618</b>	1,41,67,67,744

The additional charge of depreciation of ₹ 6,94,006/- (Previous Year ₹ 6,94,006/-) on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**
**11. NON CURRENT INVESTMENTS**

PARTICULARS	As at 31.03.2014		As at 31.03.2013	
	Qty. Nos.	Book Value ₹	Qty. Nos.	Book Value ₹
<b>LONG TERM INVESTMENTS (AT COST)</b>				
<b>TRADE INVESTMENTS</b>				
<b>A. EQUITY SHARES : QUOTED &amp; FULLY PAID</b>				
Jyoti Structures Ltd. (Face Value ₹ 2/- Per Share)	54,31,400	83,26,26,242	54,31,400	83,26,26,242
<b>Total</b>		83,26,26,242		83,26,26,242
<b>EQUITY SHARES : UNQUOTED &amp; FULLY PAID</b>				
The Saraswat Co-op. Bank Ltd. (Face Value ₹ 10/- each)	2,500	25,000	2,500	25,000
The Janakalyan Sahakari Bank Ltd. (Face Value ₹ 10/- each)	50,000	5,00,000	50,000	5,00,000
Valecha Chambers Condominium (Face Value ₹ 100/- each)	37	3,700	37	3,700
Varun Cements Ltd. (Face Value ₹ 10/- each)	42,800	2,20,000	42,800	2,20,000
Bhubaneswar Express Ways Pvt. Ltd. (Face Value ₹ 10/- each)	2,68,76,200	26,87,62,000	2,68,76,200	26,87,62,000
Valecha Reality Ltd. (Face Value ₹ 10/- each)	24,950	2,49,500	24,950	2,49,500
Aryavrat Tollways Pvt. Ltd. – Voting Shares (Face Value ₹ 10/- each)	4,900	49,000	—	—
Aryavrat Tollways Pvt. Ltd. – Non-Voting Shares (Face Value ₹ 10/- each)	44,100	4,41,000	—	—
<b>Total</b>		27,02,50,200		26,97,60,200
<b>B. INVESTMENT IN WHOLLY OWNED SUBSIDIARY COMPANY</b>				
Professional Realtors Pvt. Ltd. (Face Value ₹ 10/- each)	10,000	1,79,45,000	10,000	1,79,45,000
<b>Total</b>		1,79,45,000		1,79,45,000
<b>C. BUILDING VALECHA CHAMBERS</b>		4,49,73,441		4,49,73,441
<b>Abstract :</b>				
A. Equity Shares : Quoted & Fully Paid		83,26,26,242		83,26,26,242
Equity Shares : Unquoted & Fully Paid		27,02,50,200		26,97,60,200
B. Investment in Wholly Owned Subsidiary Company		1,79,45,000		1,79,45,000
C. Building Valecha Chambers		4,49,73,441		4,49,73,441
<b>Grand Total</b>		1,16,57,94,883		1,16,53,04,883
<b>Market Value of Quoted Investments in Shares</b>		17,48,91,080		14,66,47,800



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>12. LONG TERM LOANS &amp; ADVANCES</b>				
Security Deposit (Unsecured and Considered Good)		<b>1,62,00,372</b>		83,16,068
		<b>1,62,00,372</b>		83,16,068
<b>13. INVENTORIES</b>				
Closing Stock of Materials		<b>58,18,94,716</b>		52,78,66,125
		<b>58,18,94,716</b>		52,78,66,125
<b>14. TRADE RECEIVABLES</b> (Unsecured and Considered Good)				
(a) Exceeding Six Months		<b>56,99,21,076</b>		44,53,37,590
(b) Within Six Months		<b>1,84,52,82,929</b>		1,44,96,09,656
		<b>2,41,52,04,005</b>		1,89,49,47,246
<b>15. CASH AND CASH EQUIVALENTS</b>				
(a) Cash on Hand		<b>74,41,100</b>		84,09,520
(b) Bank Balances				
(i) Current Accounts		<b>26,50,82,777</b>		15,09,94,462
(ii) Unclaimed Dividend Accounts		<b>14,76,072</b>		7,72,148
(iii) Escrow Accounts		<b>1,19,14,453</b>		2,97,58,685
(iv) In Deposit Accounts (Lien against Bank Guarantees, Letter of Credits and EMD's)		<b>60,22,82,401</b>		71,14,07,616
		<b>88,81,96,803</b>		90,13,42,431
<b>16. SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured and Considered Good)				
(a) Loans and Advances to Related Parties		<b>12,61,45,700</b>		17,20,88,597
(b) Loans and Advances to Employees		<b>94,78,350</b>		1,04,41,034
(c) Duties & Taxes Recoverable		<b>28,67,92,479</b>		25,69,18,836
(d) Advances Recoverable in Cash or in kind or for value to be received		<b>1,79,80,07,220</b>		1,38,12,26,082
(e) Deposits with Contractees		<b>65,33,76,846</b>		67,79,20,775
(f) Advance Income Tax Paid	<b>46,07,48,530</b>		34,85,22,524	
(g) Less : Provisions for Income Tax	<b>30,15,78,000</b>	<b>15,91,70,530</b>	22,40,78,000	12,44,44,524
		<b>3,03,29,71,125</b>		2,62,30,39,848
<b>17. OTHER CURRENT ASSETS</b>				
Projects in Progress		<b>8,16,90,873</b>		2,42,50,199
		<b>8,16,90,873</b>		2,42,50,199

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013	
<b>18. REVENUE FROM OPERATIONS</b>				
Revenue from Operation		6,70,27,06,395		7,27,46,96,571
Revenue from Toll Collection		36,20,27,305		36,87,75,656
		<b>7,06,47,33,700</b>		<b>7,64,34,72,227</b>
<b>19. OTHER INCOME</b>				
(a) Interest Income		7,82,95,233		8,59,94,660
(b) Rental Income		4,22,92,444		4,63,29,136
(c) Dividend: From Long term Investments		43,45,120		59,74,540
(d) Miscellaneous Income		1,08,12,639		1,46,35,920
(e) Profit on Foreign Exchange Fluctuation		1,80,13,570		1,05,84,488
		<b>15,37,59,006</b>		<b>16,35,18,744</b>
<b>20. CONSTRUCTION EXPENSES</b>				
(a) Materials Purchase		1,77,33,87,947		1,41,81,90,708
(b) Sub-Contracting and Transportation Expenses		2,65,31,97,610		3,57,76,16,919
(c) Power and Fuel		22,54,73,289		19,34,41,746
(d) Value Added Tax, Service Tax & Labour Cess		10,82,11,562		8,52,91,456
(e) Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		40,87,56,502		56,58,05,493
(f) Insurance		1,92,61,424		2,10,96,325
(g) Site Expenses		46,24,41,807		48,23,59,711
		<b>5,65,07,30,141</b>		<b>6,34,38,02,358</b>
(h) Changes in Inventories				
Opening Stock	52,78,66,125		44,58,20,620	
Less : Closing Stock	58,18,94,716	(5,40,28,591)	52,78,66,125	(8,20,45,505)
		<b>5,59,67,01,550</b>		<b>6,26,17,56,853</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>21. EMPLOYEE BENEFIT EXPENSES</b>		
(a) Salaries, Wages, Gratuity and Bonus	35,83,60,955	36,70,31,273
(b) Contribution to Provident and other funds	1,73,80,455	1,89,85,578
(c) Welfare Expenses	15,55,725	15,77,341
	<b>37,72,97,135</b>	<b>38,75,94,192</b>

### Employees' Retirement and other Benefits :

Defined contribution Plan : The Company's contribution to provident fund is charged to Statement of Profit and Loss.

Defined benefit plan : The Company's liability towards Gratuity is determined by Independent actuaries using the projected credit method. Actual gain and losses are recognised immediately in the Statement of Profit & Loss. Obligation is measured at the Present value of the estimated future cash flow using a discounted rate i.e. determined by the market yield at the Balance Sheet date.

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2014.

Particulars	Amount (₹)
<b>Changes in Present value of Obligations</b>	
Present value of Obligations as at beginning of year	1,58,16,155
Interest Cost	12,65,292
Current Service Cost	16,35,691
Benefits paid	(7,35,872)
Actuarial (Gain)/Loss on Obligations	(9,94,213)
Present value of obligations as at end of year	1,69,87,053
<b>Changes in the fair value of plan assets</b>	
Fair value of plan assets at beginning of year	1,48,20,161
Expected return on plan assets	12,94,494
Contributions	3,20,335
Benefits paid	(7,35,872)
Actuarial (Gain)/Loss on Plan assets	—
Fair value of plan assets at the end of year	1,56,99,118
<b>The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss</b>	
Present value of obligations as at the end of year	1,69,87,053
Fair value of plan assets as at the end of the year	1,56,99,118
Funded status	(12,87,935)
Liability/(Assets) recognized in Balance Sheet	12,87,935
<b>Expenses Recognised in Statement of Profit &amp; Loss</b>	
Current Service Cost	16,35,691
Interest Cost	12,65,292
Expected return on plan assets	(12,94,494)
Net Actuarial (Gain)/Loss recognized in the year	(9,94,213)
Expenses recognized in Statement of Profit & Loss	6,12,276

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>22. FINANCIAL COST</b>		
<b>Interest Expenses</b>		
(a) Banks	52,92,47,252	48,69,77,314
(b) Financial Institutions	13,03,49,918	9,13,04,400
(c) Others	10,26,26,434	8,08,70,848
	<b>76,22,23,604</b>	<b>65,91,52,562</b>
<b>23. DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
Depreciation & Amortisation	29,44,89,475	27,20,84,269
Less : Transfer from Revaluation Reserves (Refer Note No. 10)	6,94,006	6,94,006
	<b>29,37,95,469</b>	<b>27,13,90,263</b>
<b>24. OTHER EXPENSES</b>		
(a) Rates and Taxes	39,92,500	40,62,391
(b) Printing and Stationery	11,55,917	11,91,384
(c) Telephone and Postage	23,30,713	23,43,981
(d) Advertisement	1,75,047	2,51,515
(e) Traveling and Conveyance	10,01,886	10,81,090
(f) Business Promotion	7,91,667	25,09,589
(g) Electricity Charges	17,46,316	41,80,636
(h) Professional Fees	2,76,77,911	3,80,24,783
(i) Office Maintenance	97,34,676	83,52,758
(j) Tender Expenses	46,08,122	1,84,18,841
(k) Bank Charges	1,61,51,412	1,27,44,574
(l) Directors Remuneration	1,70,18,908	1,73,39,096
(m) Commission to Non-Executive Directors	17,50,000	17,50,000
(n) Payments to Auditor	16,93,262	15,87,638
(o) General Expenses	1,26,72,491	1,18,01,715
(p) Loss on Sale of Assets	11,839	1,16,21,396
(q) Donation	25,000	10,51,001
	<b>10,25,37,667</b>	<b>13,83,12,388</b>
<b>24.1 PAYMENT TO AUDITOR</b>		
Audit Fees	13,80,000	12,90,000
Certification and Other Services including Service Tax	3,13,262	2,97,638
	<b>16,93,262</b>	<b>15,87,638</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
<b>25. EARNING PER SHARE</b>		
1. Net Profit after Tax (With Extraordinary Income)	<b>6,05,12,574</b>	7,05,635
Less : Extraordinary Income	—	—
2. Net Profit after Tax & Extraordinary Income	<b>6,05,12,574</b>	7,05,635
3. Weighted average Number of shares for Basic EPS (Numbers)	<b>1,95,30,025</b>	1,95,30,025
4. Weighted average Number of shares for Diluted EPS (Numbers)	<b>1,95,30,025</b>	1,95,30,025
5. Basic & Diluted Earning Per share	<b>3.10</b>	0.04

26. The previous years figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date  
For **D. M. JANI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

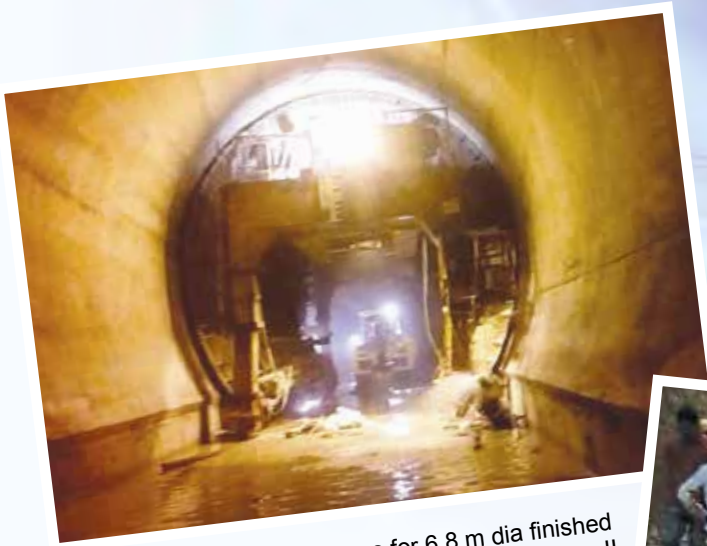
**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.

Date : 30th May, 2014.

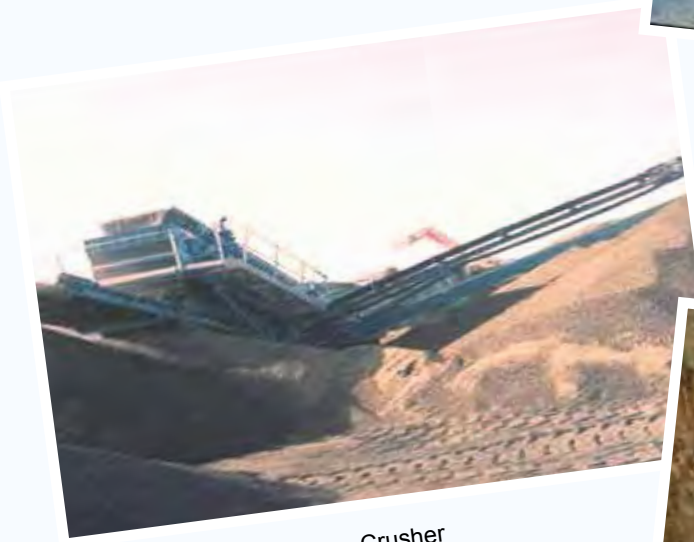




Concrete Lining in Progress for 6.8 m dia finished Head Race Tunnel for Parbati HE Project, stage -II, Dist. Kullu, Himachal



Cut and Cover NW Railway Tunnel Lalsot, Jaipur



Crusher




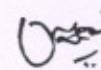
Cut and Cover excavation in Progress at NW Railway Tunnel Lalsot, Jaipur



Registered Office:  
"Valecha Chambers", 4th Floor,  
Plot No. B-6, Andheri New Link Road,  
Andheri (West), Mumbai - 400 053.



FORM - A

1.	Name of The Company	VALECHA ENGINEERING LIMITED
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	N.A.
5.	Signed by :	
	• Mr. Jagdish K. Valecha Managing Director	
	• Mr. K. S. Shetty Chief Financial Officer	
	• M/s. D. M. Jani & Company Auditor of the Company	
	• Mr. G. Ramachandran Audit Committee Chairman	