



Annual Report 2014 - 2015
VALECHA ENGINEERING LIMITED



Board of Directors

- Arvind Thakkar — *Chairman*
- J. K. Valecha — *Managing Director-cum-Vice-Chairman*
- D. H. Valecha — *Whole-time Director*
- U. H. Valecha — *Whole-time Director*

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

Registrars and Transfer Agents:

TSR Darashaw Limited
6-10 Haji Moosa Patrawala Ind. Estate
20, Dr. E. Moses Road,
Mahalaxmi,
Mumbai-400 011.
CIN: U67120MH1985PLC037369
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 Eighth Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Wednesday, 30th September, 2015 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, 2015 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 appoint a Director in the place of Mr. Umesh H. Valecha (DIN: 00012991) who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and in this connection to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the retiring auditors 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 meeting until 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 in consultation with the auditor.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and Rules made thereunder (including any statutory modification or re-enactment thereof) or any re-enactments thereof, read with Schedule V to the Act, and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Jagdish K. Valecha as Managing Director-cum-Vice-Chairman for a period of two years w.e.f. 11th June, 2015, upon terms and conditions as set out in the explanatory statement annexed hereto, with the authority to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to alter and vary the terms and conditions of the said appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Jagdish K. Valecha”.

5. To consider and, if thought fit, to pass the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of the Government of India, Ministry of Corporate Affairs, the consent of the members of the Company be and is hereby accorded to ratify, confirm and approve the remuneration paid to Mr. Jagdish K. Valecha, Managing Director of the Company, for the Financial Year 2014-2015.

RESOLVED FURTHER THAT notwithstanding that remuneration paid in 2014-2015 exceeded the limits prescribed in terms of Schedule V of the Companies Act, 2013, the consent of the members is accorded to waive recovery of the excess remuneration paid to Mr. Jagdish K. Valecha, Managing Director-cum-Vice-Chairman, for the Financial Year 2014-2015, subject to the approval of the Government of India in terms of Section 197 and any other applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution.”

6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and Rules made thereunder (including any statutory modification or re-enactment thereof) or any re-enactments thereof, read with Schedule V to the Act and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Dinesh H. Valecha as the Whole-Time Director, for a period of two years w.e.f. 1st August, 2015, upon terms and conditions as set out in the explanatory statement annexed hereto with the authority to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to alter and vary the terms and conditions of the said appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Dinesh H. Valecha, but so as not to exceed the limits specified in Schedule V to the Act or any amendment thereto or re-enactments thereof, with effect from such dates as may be decided by them”.

7. To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 and Schedule V and other applicable provisions,

if any, of the Companies Act, 2013 and subject to the approval of the Government of India, Ministry of Corporate Affairs, the consent of the members of the Company be and is hereby accorded to ratify, confirm and approve the remuneration paid to Mr. Dinesh H. Valecha as the Whole-Time Director, of the Company, for the Financial Year 2014-2015.

RESOLVED FURTHER THAT notwithstanding that remuneration paid in 2014-2015 exceeded the limits prescribed in terms of Schedule V of the Companies Act, 2013, the consent of the members is accorded to waive the recovery of the excess remuneration paid to Mr. Dinesh H. Valecha as the Whole-Time Director, for the Financial Year 2014-2015, subject to the approval of the Government of India in terms of Section 197 and any other applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT in accordance with the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, if, the remuneration paid/payable to Mr. Dinesh H. Valecha as the Whole-Time Director for the Financial Year 2015-2016 exceeds the limits prescribed in terms of Schedule V of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to pay to and not to recover from Mr. Dinesh H. Valecha as the Whole-Time Director such excess remuneration, subject to the approval of the Government of India, Ministry of Corporate Affairs.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution.”

8. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and Rules made thereunder (including any statutory modification or re-enactment thereof) or any re-enactments thereof, read with Schedule V to the Act and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Umesh H. Valecha as the Whole-Time Director, for a period of two years w.e.f. 1st July, 2015, upon terms and conditions as set out in the explanatory statement annexed hereto with the authority to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to alter and vary the terms and conditions of the said appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Umesh H. Valecha, but so as not to exceed the limits specified in Schedule V to the Act or any amendment thereto or re-enactments

thereof, with effect from such dates as may be decided by them”.

9. To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to Sections 196, 197, 198, and 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of the Government of India, Ministry of Corporate Affairs, the consent of the members of the Company be and is hereby accorded to ratify, confirm and approve the remuneration paid to Mr. Umesh H. Valecha as the Whole-Time Director, of the Company, for the Financial Year 2014-2015.

RESOLVED FURTHER THAT notwithstanding that remuneration paid in 2014-2015 exceeded the limits prescribed in terms of Schedule V of the Companies Act, 2013, the consent of the members is accorded to waive the recovery of excess remuneration paid to Mr. Umesh H. Valecha as the Whole-Time Director, for the Financial year 2014-2015, subject to the approval of the Government of India in terms of Section 197 and any other applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT in accordance with the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, if, the remuneration paid/payable to Mr. Umesh H. Valecha as the Whole-Time Director for the Financial Year 2015-2016 exceeds the limits prescribed in terms of Schedule V of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to pay to and not to recover from Mr. Umesh H. Valecha as the Whole-Time Director such excess remuneration, subject to the approval of the Government of India, Ministry of Corporate Affairs.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution.”

10. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) p.a. plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to M/s N. Ritesh & Associates (Membership No. 26963), Cost Auditors of the Company, for the Financial Years 2014-15 & 2015-16, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board
KAVITA VALECHA SHARMA
Company Secretary

Place : Mumbai
Date : 17th August, 2015

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 the Thursday, 24th September, 2015 to Wednesday 30th September, 2015 (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) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends upto and including the

financial year ended on 31st March, 2007 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, 2008 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.

(E) 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.

(F) 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.

(G) 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 23rd September, 2015 so that the information required can be made available at the meeting.

(H) 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.

(I) 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, 2015 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, 2015 is available on the Company’s website www.valechaeng.com.

(J) 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 remote electronic voting (‘e-voting’) in respect of the Resolution proposed at AGM.

E-voting instructions:

The procedure with respect to remote 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 remote e-voting.pdf’** with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
- (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com>.
- (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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles and select the Electronic Voting Event Number (EVEN) of Valecha Engineering Limited.
- (f) Now you are ready for remote 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 with a copy marked to NSDL’s e-mail ID 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 remote e-voting starts at 9.00 a.m. on Sunday, 27th September, 2015 and ends at 5.00 p.m. on Tuesday, 29th September, 2015. Remote e-voting shall be disabled by NSDL at 5.00 p.m. on

Tuesday, 29th September, 2015. During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date 23rd September, 2015 may request for login ID and password and cast their vote electronically.

E. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and remote e-voting User Manual for Shareholders available under the Downloads section of NSDL’s e-voting website www.evoting.nsdl.com. You may also address your queries relating to remote e-voting to the e-mail ID: 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 Wednesday, 23rd September, 2015, 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 cast 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 and on the NSDL website <https://www.evoting.nsdl.com> within two working days of the passing of the resolution at the 38th AGM of the Company on 30th September, 2015 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 : 17th August, 2015

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. 4 & 5

Mr. Jagdish K. Valecha was re-appointed as the Managing Director of the Company by the Members at the Annual General Meeting held on 26th September, 2013 for a period of 2 years, effective from 11th June, 2013. The Board of Directors have recommended the re-appointment of Mr. Jagdish K. Valecha as Managing Director-Cum-Vice-Chairman for a further period of 2 years effective 11th June, 2015.

The Board of Directors of your Company is of the opinion that it is in the interest of the Company to re-appoint Mr. Jagdish K. Valecha as the Managing Director-Cum-Vice-Chairman of the Company to guide the affairs of the Company. At present, no remuneration is proposed to be paid to Mr. Jagdish K. Valecha for his services pursuant to such appointment as Managing Director-cum-Vice-Chairman of the Company.

In terms of the Shareholders' Resolutions dated 26th September, 2013, in the event of loss or inadequacy of profits, Jagdish K. Valecha was to be paid remuneration within the limits as prescribed under Schedule V to the Companies Act, 2013. The Company has paid remuneration exceeding the aforesaid limits to Mr. Jagdish K. Valecha for the Financial Year 2014-2015. Without prejudice, the management of your Company believes that the aggregate amount paid to Mr. Jagdish K. Valecha was justified in terms of the key role played by him during his tenure. Accordingly, the Company shall make an application to the Government of India, for waiver of excess amount i.e. amount exceeding the limits prescribed by Schedule V of the Companies Act, 2013 to bring the payments in line with Schedule V to the Companies Act, 2013. The consent of the Shareholders is sought to pay and not recover from Mr. Jagdish K. Valecha such excess remuneration.

The Board recommends the Resolution appointing Mr. Jagdish K. Valecha as proposed to be passed as an Ordinary Resolution & for ratification of remuneration as a Special Resolution.

None of the other Directors and / or Key Managerial Personnel except Mr. Jagdish K. Valecha and Mr. Karan Valecha and Mr. Kapil Valecha, relatives of Directors are in any way concerned or interested in these resolutions. This may be considered as an abstract of the terms of the appointment of Mr. Jagdish K. Valecha as the Managing Director-Cum-Vice-Chairman of the Company in accordance with the provisions of Section 190 of the Companies Act, 2013.

Item Nos. 6, 7, 8 & 9

Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha were re-appointed as the Whole Time Director of the Company by the Members at the

Annual General Meeting held on 26th September, 2013 for a period of 2 years, effective from 1st August, 2013 and 1st July 2015 respectively. The Board of Directors have recommended the re-appointment of Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha for a further period of 2 years effective from 1st August, 2015 and 1st July, 2015 respectively.

The Board of Directors of your Company is of the opinion that it is in the interest of the Company to re-appoint Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha as the Whole Time Directors of the Company to guide the affairs of the Company.

These re-appointments are subject to approval of shareholders at this meeting.

In terms of the Shareholders' Resolutions dated 26th September, 2013, in the event of loss or inadequacy of profits, Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha were to be paid remuneration within the limits as prescribed under Schedule V to the Companies Act, 2013. The Company has paid remuneration exceeding the aforesaid limits to Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha for the Financial Year 2014-2015. Without prejudice, the management of your Company believes that the aggregate amount paid to Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha was justified in terms of the key role played by them during their tenure. Accordingly, the Company shall make an application to the Government of India, for waiver of excess i.e. amount exceeding the limits prescribed by Schedule V of the Companies Act, 2013 or to bring the payments in line with Schedule V to the Companies Act, 2013.

Further, on account of loss or inadequacy of profits and to bring the payments in line with Schedule V to the Companies Act, 2013 the remuneration paid/payable to Mr. Dinesh H. Valecha, and Mr. Umesh H. Valecha Directors for the Financial Year 2015-16 exceeds the limits prescribed in terms of Schedule V of the Companies Act, 2013, the consent of the Shareholders is sought to pay and not recover from Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha such excess remuneration.

None of the directors except Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha are concerned or interested in the said Resolutions.

Your Directors recommend the resolutions at Item Nos. 6, 7, 8 & 9 for your approval.

The Principal terms and conditions of appointment/re-appointment are as under:

Name & Designation	Period of Appointment/ Re-appointment	Salary	Commission & Incentives
Mr. Jagdish K. Valecha	2 years w.e.f. 11th June, 2015	₹ 6,00,000/- (Mr. Jagdish K. Valecha has voluntarily opted not to draw this salary)	—
Mr. Dinesh H. Valecha Whole Time Director	2 years w.e.f. 1st August, 2015	₹ 3,50,000/- per month w.e.f. 1st August, 2015	Commission and Incentives, if any, not exceeding the limit of 3% of net profit for the relevant year as stipulated in Sections and Schedule V of the Companies Act, 2013 (the "Act").
Mr. Umesh H. Valecha Whole Time Director	2 years w.e.f. 1st July, 2015	₹ 3,50,000/- per month w.e.f. 1st July, 2015	Commission and Incentives, if any, not exceeding the limit of 3% of net profit for the relevant year as stipulated in Sections and Schedule V of the Companies Act, 2013 (the "Act").

Perquisites:

PART – A

- (i) The expenditure incurred by the Company on gas, electricity, and water shall be valued as per the Income-Tax Rules, 1962.
- (ii) The Company shall reimburse medical expenses for self and family, subject to a ceiling of one month's salary in a year or two months salary in a block of two years.
- (iii) The Company shall arrange to insure against personal accident risk, as per applicable provisions and company rules. [Family means spouse, dependent children and dependent parents of the Executive Directors.]

PART – B

- (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund if any, to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.
- (ii) Gratuity as per the rules of the Company.

PART – C

Provision of the car/s and driver/s for use on Company's business and telephone/s at residence including cell phone shall be valued as per Income-Tax Rules, 1962. The car used for private purposes shall be billed by the Company to the Executive Directors.

1. The terms and conditions of the said appointment/re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit so as not to exceed the limits specified in Schedule V to the Companies Act, 2013, or any amendments made hereafter in that regard.
2. The agreement may be terminated by either party giving the other party three months' notice. However, the appointment may be terminated by less than three months' notice by mutual consent between the parties.
3. If at any time the Executive Directors ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Executive Director.
4. The Executive Directors shall not be entitled to sitting fees for attending meetings of the Board of Directors of the Company or any committee or committees thereof.
5. The Executive Directors shall be entitled to leave, on full pay allowance, at the rate of one month for every eleven months of service. Leave accumulated but not availed of shall not be allowed to be encashed. (Not applicable to Mr Jagdish Valecha).
6. In the event of loss or inadequacy of profits in any financial year the Executive Directors may be paid remuneration by way of

salary, perquisites and other allowances not exceeding the limits specified in Schedule V to the Act.

The information as required under second proviso (iv) of Paragraph B of Section II of Part II of Schedule V of the Companies Act, 2013, is given in the Annexure to the Notice.

This may be treated as an abstract under Section 190 of the Companies Act, 2013 of the terms of the agreement.

Item No. 10

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 13th March, 2015 and 17th August 2015, has considered and approved the appointment of M/s. N. Ritesh & Associates, Cost Accountant (Membership No. 26963) as the Cost Auditor of the Company for the Financial Years 2014-15 & 2015-16 respectively at a total remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Years 2014-15 and 2015-2016.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10.

Your Directors, therefore, recommend the said Resolution at Item No. 10.

By order of the Board

KAVITA VALECHA SHARMA
Company Secretary

Place : Mumbai

Date : 17th August, 2015

Registered Office:

“Valecha Chambers”

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

Mumbai - 400 053.

CIN: L74210MH1977PLC019535

ANNEXURE TO NOTICE

Statement pursuant to the provisions of Part II Section II B (iv) of Schedule V of the Companies Act, 2013 in respect of item nos. 5,7 & 9

Names of Directors	Mr. Jagdish K Valecha	Mr. Dinesh H. Valecha	Mr. Umesh H. Valecha			
General Information	The main object of the company is to carry on Business as Civil Engineers, civil contractors and to undertake projects and contracts for Government of India, to render consultancy for civil engineering works, state Government, Corporations, Municipal or Local Bodies, Associations or Individuals for construction, widening, paving, resurfacing of roads etc. The company is an existing Company and commenced its operations in the year March, 1977.					
Key Financials for the last three years	Rs. In lacs					
	Financial Year	Gross Turnover	Profit (Loss) before Tax	Profit (Loss) After Tax	Dividend (%)	Dividend Amount
	31.03.2015	64994.24	(5921.77)	(5385.89)	Nil	Nil
	31.03.2014	67027.06	2772.32	1875.17	7.5	146.47
	31.03.2013	73971.96	3044.36	2070.26	10	195.30
Foreign Investments or Collaborations	There is no foreign collaboration and direct capital investment in the Company. Foreign Investors, mainly comprising FIIs, NRIs and FPIs are investors in the Company.					
Information about the appointee, Job profile and his suitability	Mr Jagdish K Valecha holds a Graduate Degree in Commerce and has experience of over 30 years in execution of Civil Construction Works.	Mr. Dinesh H Valecha holds a degree in B.E. (Electronics) D.B.M. and has experience of over 20 years in Civil Construction Works.	Mr. Umesh H Valecha holds a Degree in B.E. (Civil) and has experience of over 14 years in Civil Construction Works.			
Recognition or awards	Bharat Shiromani Award 2008-2009 for outstanding achievement in the field of infrastructure	Nil	Nil			
Past Remuneration	Year	Amount (₹ In lacs)	Year	Amount (₹ In lacs)	Year	Amount (₹ In lacs)
	2014-2015	76.64	2014-2015	42.77	2014-2015	43.15
	2013-2014	76.49	2013-2014	47.70	2013-2014	45.99
	2012-2013	81.75	2012-2013	47.81	2012-2013	43.83
	2011-2012	76.80	2011-2012	43.39	2011-2012	42.54
	2010-2011	121.29	2010-2011	75.53	2010-2011	75.57
Remuneration proposed	As provided herein above					
Comparative remuneration	The proposed remuneration is comparable and competitive, considering the industry size, size of the company, the managerial position and the credentials of the appointees.					
Pecuniary Relationship	Except the remuneration and perquisites as stated above, Mr. Dinesh H Valecha holds 2812 equity shares and Mr. Umesh H Valecha holds 2587 equity shares in the Company.					
Reasons for loss or inadequate profits	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. The Company is affected by these challenges which have in turn affected the profitability. The company is focusing on niche markets where there is high growth potential such as underground tunneling and elevated structures with specialized equipments.					
Steps taken for improvement	To overcome these challenges, the company is focusing on niche market where there is high growth potential with better margins. The company is improving the selection process at the bidding stage to bag projects with improved margins.					
Expected increase in productivity and profits in measurable terms	There are a series of measures and incentives being taken for removal of these bottlenecks by the Government. The Company will take corrective measures to take advantage of these opportunities in the near future.					
Disclosures	All the elements of the managerial remuneration have been disclosed in the Corporate Governance forming part of the Annual Report.					

DIRECTORS' REPORT

To The Members,

The Directors present their Thirty Eighth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2015.

	Standalone		Consolidated	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Net Sales/Income from Operations	64,994.24	67,027.06	68,405.05	70,647.34
Other Income	1,217.17	1,372.79	1,328.46	1,537.59
Total Revenue	66,211.41	68,399.85	69,733.51	72,184.93
Less: Total Expenditure	64,599.34	60,353.51	65,066.58	60,765.36
Gross Profit Before Interest, Depreciation, Taxes and Extraordinary Income	1,612.07	8,046.34	4,666.93	11,419.57
Less: Interest	4,704.79	4,166.06	8,127.16	7,622.24
Profit/(Loss) Before Depreciation, Tax and Extraordinary Income	(3,092.72)	3,880.28	(3,460.23)	3,797.33
Less: Depreciation	2,829.05	1,108.06	4,674.11	2,937.95
Profit/(Loss) Before Extraordinary Income & Tax	(5,921.77)	2,772.22	(8,134.34)	859.38
Add: Extraordinary Income	—	—	—	—
Profit/(Loss) Before Tax	(5,921.77)	2,772.22	(8,134.34)	859.38
Provision for Tax:				
Current Tax	—	775.00	—	775.00
Deferred Tax	(535.88)	122.04	(674.43)	(12.02)
Profit/(Loss) After Tax	(5,385.89)	1,875.18	(7,459.91)	96.40
Minority Interest	—	—	539.21	508.73
Add: Balance Brought Forward from Last Year	17,479.89	16,186.52	13,840.92	13,817.62
Additional Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013	485.07	—	485.07	—
Prior Year adjustment for Taxes & Others	(97.74)	(10.45)	(97.74)	(10.45)
Profit for Appropriation	11,511.19	18,051.25	6,337.41	14,412.30
Appropriations:				
Proposed Dividend	—	146.48	—	146.48
Tax on Dividend	—	24.89	—	24.89
Transfer to General Reserves	—	400.00	—	400.00
Balance Carried to Balance Sheet	11,511.19	17,479.88	6,337.41	13,840.93
	11,511.19	18,051.25	6,337.41	14,412.30

2. Dividend:

The Directors have not recommended payment of any dividend for the year ended 31st March, 2015 (Previous Year ₹ 0.75 per share).

3. Reserves:

Since, the Company has made losses during the year, no amount is being transferred to reserves.

4. Operations/ State of affairs during the year:

During the current financial year, the Company has achieved the turnover of ₹ 64,994.24 Lacs against ₹ 67,027.06 Lacs resulting into a marginal decrease by 3.03%. The Company has incurred Post Tax Loss of ₹ 5,385.89 Lacs against the Profit After Tax of ₹ 1,875.17 Lacs. The Company has calculated the depreciation in pursuance of the notification of Schedule-II of the Companies Act, 2013 w.e.f. 1st April, 2014, resulting into an addition charge of depreciation amounting to ₹ 1,703.18 Lacs during the current financial year, otherwise the loss would have been lower to that extent.

5. Fixed Deposits:

The Company has discontinued the Deposit scheme in the financial year 2014-15 and no fresh Deposits have been accepted during the year. Deposits outstanding as at 31st March, 2015 is ₹ 4,057.81 Lacs.

The details relating to deposits, covered under Chapter V of the Act,

- (a) accepted during the year; Nil
- (b) remained unpaid or unclaimed as at the end of the year; ₹ 763.21 Lacs.
- (c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-
 - (i) at the beginning of the year; Nil
 - (ii) maximum during the year 1536 Nos., ₹ 604.64 Lacs
 - (iii) at the end of the year; ₹ 604.64 Lacs.

The Company has applied u/s 74(2) of the Act, before the Company Law Board, Mumbai Bench, Mumbai for extension of repayment of Fixed Deposits accepted before commencement of the Act. No order has been passed by the Company Law Board or the National Company Law Tribunal or Reserve Bank of India or any other Tribunal on the Company in respect of the above said Deposits.

During the year 67 deposits interest warrants aggregating to ₹ 21,221/- lying unclaimed with the Company were transferred to the Investor Education and Protection Fund, pursuant to the relevant guidelines.

6. Material changes and commitments:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. Changes in the nature of business:

There is no change in the nature of business.

8. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and the company's operation in the future.

9. Details of Subsidiary/Joint Ventures/Associate Companies:

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.

The statement pursuant to Section 129 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.

A report on the performance and the financial position of the subsidiary companies as per Companies Act, 2013 forms part of the consolidated financial statement and hence not repeated here for the sake of brevity.

No Company has become a Joint Venture/Subsidiary during the Financial Year 2014-2015.

10. Auditors' Report:

There are no qualifications, reservation or adverse remark made by M/s D. M. Jani & Co., Statutory Auditors in their report for the financial year ended 31st March, 2015.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

11. 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 2015-16. 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.

Audit Committee:

The composition of the Audit Committee has been mentioned in the Corporate Governance Report annexed to this report.

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013, in terms of the Central Government's approval, the Board of Directors on the recommendation of the Audit Committee appointed M/s N. Ritesh & Associates (M/26963), Cost Accountant, as the Cost Auditor of the Company for the year under review. The remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company. In view of this your ratification for payment of remuneration to the Cost Auditor is being sought at the ensuing Annual General Meeting. M/s N. Ritesh & Associates have confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013 and has certified that they are free from any disqualifications specified under Section 148(5) and all other applicable provisions of the Companies Act, 2013.

The said auditor has given their eligibility certificate for appointment as Cost Auditor.

12. Directors:

Retirement by Rotation:

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

The Board of Directors at its meeting on the 17th August, 2015 have appointed Mr. Jagdish K. Valecha as Managing Director-cum-Vice Chairman and re-appointed Mr. Dinesh H. Valecha and Mr. Umesh H. Valecha as Whole Time Directors of the Company.

Mr. Anil Harish resigned from the Board w.e.f. 30th September, 2014 and Mr. G. Ramachandran resigned w.e.f. 4th April, 2015.

Mr. Anil Harish and Mr. G. Ramachandran gave immense contribution in the growth and progress of the company during their tenure. The Board records appreciation for their outstanding efforts and tremendous support given to the Company.

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

Declaration by Independent Directors:

Shri Arvind Maganlal Thakkar is an Independent Director on the Board of the Company confirms that he meets the criteria of Independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Key Managerial Personnel:

In view of the provisions of Section 203 of the Companies Act, 2013 Mr. Jagdish Valecha, Managing Director-cum-Vice-Chairman, Mr. Dinesh Valecha and Mr. Umesh H. Valecha Whole Time Directors, Mr. Indrajit Bhattacharya, Chief Financial Officer and Ms. Kavita Valecha Sharma were identified and appointed as Key Managerial Personnel of the Company. Mr. Indrajit Bhattacharya, Chief Financial Officer resigned w.e.f. 30th April, 2015.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, performance evaluation of the Board, it's Committees and the Independent Directors was carried out. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

13. 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 2015-16 the Company allotted 30 lac shares on preferential basis to FIIs/FPIs.

14. 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 Personnel of the Company. This helps in dealing with ethical issues and also in fostering a culture of accountability and integrity.

15. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134 of the Companies Act, 2013, and Rules thereunder:

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:

	(₹ in lacs)	
	Current Year	Previous Year
Foreign Exchange Outgo	2.11	90.90
Foreign Exchange Earned	Nil	Nil

16. Particulars of Employees:

There are no employees drawing salary pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

17. Extract of the Annual Return:

The details forming part of the extract of the Annual Return in Form MGT – 9 as required under Section 92 of the Companies Act, 2013, is marked as Annexure - A which is annexed hereto and forms part of the Directors Report.

18. Corporate Social Responsibility (CSR):

Pursuant to the requirement under Section 135 of the Companies Act, 2013 and Rules made thereunder a report in the prescribed format is given in Annexure - B, which is annexed hereto and forms part of the Directors Report. The CSR Committee consists of Mr. Arvind Thakkar, Mr. Jagdish Valecha and Mr. Dinesh Valecha.

The CSR Policy has been uploaded on the Company's website. The Company could not spent the requisite amount on CSR activities as the Companies profits/earnings were lesser than the previous financial year.

19. Number of meetings of the Board of Directors:

The details of the number of meetings of the Board held during the Financial Year 2014-15 forms part of the Corporate Governance Report.

20. Details of establishment of vigil mechanism for directors and employees:

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has framed a Vigil Mechanism/Whistle Blower policy to deal with unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Vigil Mechanism/Whistle Blower policy has also been uploaded on the website of the Company.

21. Nomination and Remuneration Committee:

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has framed a Remuneration Policy.

The remuneration policy of the Company, inter alia, includes the aims and objectives, principles of the remuneration, guidelines for remuneration to Executive Directors and Non-Executive Directors, fixed and variable components in the remuneration package, criteria for identification of the Board Members and appointment of senior management.

The criteria for identification of the Board Members including that for determining qualification, positive attributes, independence etc. are summarily given hereunder:

- The Board Member shall possess appropriate skills, qualification, characteristics and experience. The objective

is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other area as may be considered relevant or desirable to conduct the Company's business in a holistic manner.

- Independent Director shall be person of integrity and possess expertise and experience and/or someone who the Committee/Board believe could contribute to the growth/philosophy/strategy of the Company.
- In evaluating the suitability of the Individual Board Members, the Committee takes into account may factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements.
- Director should possess high level of personal and professional ethics, integrity and values. He should be able to balance the legitimate interest and concerns of all the Company's Stakeholders in arriving at decisions rather than advancing the interest of a particular constituency.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. He must have the aptitude to critically evaluate managements working as a part of a team in an environment of collegiality and trust.
- The Committee evaluates each individual with the objective of having a group that the best enables the success of the Company's business and achieve its objective.

22. Particulars of loans, guarantees or investments under Section 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

23. Particulars of contracts or arrangements with related parties:

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of the contracts or arrangements entered into by the Company with Related Parties have been done at arms length and are in the ordinary course of business.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

24. Risk Management:

Details on Risk Management has been mentioned in the Corporate Governance Report annexed to this report.

25. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

As required by Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, there were no cases filed pursuant to the aforesaid Act.

26. Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and remuneration of

Managerial Personnel) Rules, 2014, the Secretarial Audit Report for the Financial year ended 31st March, 2015 is attached separately. The Report is self-explanatory and do not call for any further comments.

27. Corporate Governance:

The Company has complied with the Corporate Governance Code as stipulated under the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance along with certificate from auditors confirming the compliance is annexed and forms part of the Annual Report.

28. Director's Responsibility Statement:

As required by Section 134(5)(c) of the Companies Act, 2013 your Directors state that:

- (a) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- (b) The accounting policies adopted in the preparation of the annual accounts have been applied consistently. Reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2014-15 and of the profit for the year ended 31st March, 2015.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts for the year ended 31st March, 2015 have been prepared on a going concern basis.
- (e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

29. 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 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

DINESH VALECHA
Director

JAGDISH VALECHA
*Managing Director -
cum-Vice-Chairman*

Place : Mumbai
Date: 17th August, 2015

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE: A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74210MH1977PLC019535
2.	Registration Date	5th March, 1977
3.	Name of the Company	VALECHA ENGINEERING LIMITED
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053. Tel : 022-2673 3625-29 • Fax : 022-2673 3945 Email: investor.relations@valecha.in Website: www.valechaeng.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial, Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011. CIN: U67120MH1985PLC037369 Tel : 022-66568484/66178554 • Fax: 022-66568494 E-mail: dtambe@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Construction roads and railways	4210	49.86
2.	Construction of other civil engineering projects	4290	50.14

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Valecha Infrastructure Ltd.	U55101MH1995PLC084399	Wholly Owned Subsidiary Company	100%	2(87)(ii)
2.	Professional Realtors Private Limited	U45400MH2007PTC169197	Wholly Owned Subsidiary Company	100%	2(87)(ii)
3.	Valecha LM Toll Private Limited	U74900MH2010PTC202289	Subsidiary	74%	2(87)(ii)
4.	Valecha International (FZE)	—	Subsidiary Company		2(87)(ii)
5.	Valecha Kachchh Toll Roads Limited	U45203MH2011PLC219600	Subsidiary Company	58%	2(87)(ii)
6.	Valecha Badwani Sendhwa Toll Ways Limited	U45203MH2011PLC215905	Subsidiary Company	74%	2(87)(ii)
7.	Valecha Realty Ltd.	U70109MH2007PLC175404	Associate Company	49.90%	2(6)
8.	Bhubaneshwar Expressways Private Limited	U45200DL2010PTC205121	Associate Company	40%	2(6)
9.	Aryavrat Projects And Developers Private Limited	U45400DL2007PTC169885	Associate Company	49%	2(6)
10.	Valecha Investments Pvt. Ltd.	U65990MH1982PTC828361	Promoter Company	—	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1.	Indian									
	(a) Individuals/Hindu Undivided Family	5,91,624	0	5,91,624	3.03	5,07,092	0	5,07,092	2.60	-0.43
	(b) Central Government/State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
	(c) Bodies Corporate	78,25,424	0	78,25,424	40.07	71,55,173	0	71,55,173	36.64	-3.43
	(d) Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
	(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Promoter Group	10,14,485	0	10,14,485	5.19	10,25,239	0	10,25,239	5.25	0.06
	Sub-Total (A) (1)	94,31,533	0	94,31,533	48.29	86,87,504	0	86,87,504	44.48	-3.81
2.	Foreign									
	(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
	(b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	94,31,533	0	94,31,533	48.29	86,87,504	0	86,87,504	44.48	-3.81
B.	Public Shareholding									
	(1) Institutions									
	(a) Mutual Funds/UTI	0	10,012	10,012	0.05	0	10,012	10,012	0.05	0.00
	(b) Financial Institutions/Banks	180	0	180	0.00	18,783	0	18,783	0.10	0.10
	(c) Central Government/State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
	(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	(e) Insurance Companies	6,99,772	0	6,99,772	3.58	6,99,772	0	6,99,772	3.58	0.00
	(f) Foreign Institutional Investors	0	0	0	0.00	5,00,000	0	5,00,000	2.56	2.56
	(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	(i) Any Other (specify)									
	Foreign Institutional Investors - DR	0	0	0	0.00	3,71,250	0	3,71,250	1.90	1.90
	Sub-Total (B) (1)	6,99,952	10,012	7,09,964	3.64	15,89,805	10,012	15,99,817	8.19	4.56
	(2) Non-Institutions									
	(a) Bodies Corporate									
	(i) Indian	14,19,398	59,356	14,78,754	7.57	20,00,044	59,356	20,59,400	10.54	2.97
	(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
	(b) Individuals -									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	40,36,185	1,85,159	42,21,344	21.61	33,83,209	1,81,537	35,64,746	18.25	-3.36
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	27,88,698	1,41,073	29,29,771	15.00	31,29,787	1,41,073	32,70,860	16.75	1.75
	(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	(d) Any Other									
	(i) Trust	0	0	0	0.00	0	0	0	0.00	0.00
	(ii) Directors & their relatives	3,87,409	0	3,87,409	1.98	3,47,698	0	3,47,698	1.78	-0.20
	Sub-Total (B) (2)	86,31,690	3,85,588	90,17,278	46.17	88,60,738	3,81,966	92,42,704	47.33	1.15
	Total Public Shareholding (B) = (B) (1)+(B)(2)	93,31,642	3,95,600	97,27,242	49.81	1,04,50,543	3,91,978	1,08,42,521	55.52	5.71
	TOTAL (A)+(B)	1,87,63,175	3,95,600	1,91,58,775	98.10	1,91,38,047	3,91,978	1,95,30,025	100.00	1.90
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	(1) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
	(2) Public	3,71,250	0	371250	1.90	0	0	0	0.00	-1.90
	GRAND TOTAL (A)+(B)+(C)	1,91,34,425	3,95,600	1,95,30,025	100.00	1,91,38,047	3,91,978	1,95,30,025	100.00	0.00

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

ii) Share Holding of Promoters & Promoters Group/PAC and change

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			Net Changes	% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares		
1	Valecha Investment Private Ltd.	7,825,000	40.07	0.00	7,154,749	36.63	15.00	-670251	-3.43
2	Madanlal Lilaram Valecha	405,225	2.07	0.00	405,225	2.07	0.00	0	0.00
3	Gopaldas Lilaram Valecha	195,000	1.00	0.00	164,000	0.84	0.00	-31000	-0.16
4	Bela Madanlal Valecha	143,100	0.73	0.00	143,100	0.73	0.00	0	0.00
5	Ramchand Hemandas Valecha	131,500	0.67	0.00	110,072	0.56	0.00	-21428	-0.11
6	K P Valecha (HUF)	131,000	0.67	0.00	181,625	0.93	0.00	50625	0.26
7	Jagdish Kishinchand Valecha (HUF)	118,000	0.60	0.00	118,000	0.60	0.00	0	0.00
8	Karan Jagdish Valecha	100,000	0.51	0.00	100,000	0.51	0.00	0	0.00
9	Kapil Jagdish Valecha	99,000	0.51	0.00	99,000	0.51	0.00	0	0.00
10	Bhavana Ramchand Valecha	82,850	0.42	0.00	82,850	0.42	0.00	0	0.00
11	Jagdish Kishinchand Valecha	50,625	0.26	0.00	0	0.00	0.00	-50625	-0.26
12	Pavitra Ramchandra Valecha	43,000	0.22	0.00	37,000	0.19	0.00	-6000	-0.03
13	Geeta Prakash Valecha	33,625	0.17	0.00	31,625	0.16	0.00	-2000	-0.01
14	Vanita S Valecha	15,025	0.08	0.00	5,025	0.03	0.00	-10000	-0.05
15	Kavita Vasudev Valecha	12,362	0.06	0.00	11,362	0.06	0.00	-1000	-0.01
16	Sharda Hariram Valecha	10,125	0.05	0.00	10,125	0.05	0.00	0	0.00
17	Vasudev Pyarelal Valecha (HUF)	9,112	0.05	0.00	9,112	0.05	0.00	0	0.00
18	Alka Vasudev Valecha	8,775	0.04	0.00	7,775	0.04	0.00	-1000	-0.01
19	Lata Vasudev Valecha	7,199	0.04	0.00	6,199	0.03	0.00	-1000	-0.01
20	Dinesh H Valecha - Karta For Hariram Pyarelal Valecha (Huf) .	4,500	0.02	0.00	4,500	0.02	0.00	0	0.00
21	Dinesh Valecha	2,812	0.01	0.00	2,812	0.01	0.00	0	0.00
22	Umehar Hariram Valecha	2,587	0.01	0.00	2,587	0.01	0.00	0	0.00
23	Gopaldas Vasudev Construction Pvt. Ltd.	424	0.00	0.00	424	0.00	0.00	0	0.00
24	Manohar Sunderdas Ahuja	350	0.00	0.00	0	0.00	0.00	-350	0.00
25	Geeta Dinesh Valecha	337	0.00	0.00	337	0.00	0.00	0	0.00
		9,431,533	48.29	0.00	8,687,504	44.48	15.00	-744,029	-3.81

iii) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr no	Name	No of shares as on 31.03.2014	No of shares as on 31.03.2015	Net Changes	% to Capital
1	Mahesh Awatrai Bhojwani	742,485	742,485	0	0.00
2	General Insurance Corporation Of India	699,772	699,772	0	0.00
3	Ajay Kumar Kayan	448,914	9,246	-439668	-2.25
4	Atul Umakant Rege Huf	385,000	0	-385000	-1.97
5	Baijnath Maniram Holding & Finance Company Private Limited	141,790	0	-141790	-0.73
6	Naresh Gopaldas Valecha	138,900	48,700	-90200	-0.46
7	Talisman Securities Pvt.Ltd	137,529	101,000	-36529	-0.19
8	Soni Gopal Valecha	136,100	136,100	0	0.00
9	Vimal Finstock Pvt Ltd	133,000	132,827	-173	0.00
10	Waluj Components Private Limited	109,586	0	-109586	-0.56
11	Sanjay R. Chhabria	50,100	225,000	174900	0.90
12	Orange Mauritius Investments Limited	0	871,250	871250	4.46
13	Darshana Umakant Rege	0	300,000	300000	1.54
14	Il And Fs Securities Services Limited	0	288,000	288000	1.47
15	Naishadh Jawahar Paleja	0	180,000	180000	0.92
16	Hiranand Harkishindas Dayaram	0	131,000	131000	0.67

V INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	28,652.17	—	4,708.94	33,361.12
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	167.70	167.70
Total (i+ii+iii)	28,652.17	—	4,876.64	33,528.82
Change in Indebtedness during the financial year				
* Addition	8,374.76	511.50	—	8,886.26
* Reduction	(5,456.18)	—	(651.13)	6,107.31
Net Change	2,918.58	511.50	(651.13)	2,778.95
Indebtedness at the end of the financial year				
i) Principal Amount	31,333.36	511.50	4,057.81	35,902.67
ii) Interest due but not paid	237.39	—	—	237.39
iii) Interest accrued but not due	—	—	197.56	197.56
Total (i+ii+iii)	31,570.75	511.50	4,255.37	36,337.62

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Jagdish Valecha Managing Director	Dinesh Valecha Whole Time Director	Umesh Valecha Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.00	42.00	42.00	156.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.64	0.77	1.15	6.56
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity				
4	Commission – as % of profit – others, specify...	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	76.64	42.77	43.15	162.56

B. Remuneration to other directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Arvind Thakkar	Anil Harish	G Ramachandran	
1	Independent Directors				
	Fee for attending board & committee meetings	—	0.05	0.05	0.10
	Commission	3.00	—	—	3.00
	Others, please specify	—	—	—	—
	Total (1)	3.00	0.05	0.05	3.10.00
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	—	—	—	—
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
	Total (B)=(1+2)	3.00	0.05	0.05	3.10.00

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	—	23.73	—	23.73
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission – as % of profit – others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	23.73	—	23.73

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

FORMAT OF THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD REPORT

Sr. No.	Particulars	Remarks
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.	
2	The Composition of the CSR Committee — Mr. Jagdish Valecha, Mr. Dinesh Valecha & Mr. Arvind Thakkar	
3	Average net profit of the Company for last three financial years.	₹ 20,61,23,909
4	Prescribed CSR Expenditure (two per cent of the amount as in item no. 3 above).	₹ 41,22,478
5	Details of CSR spent during the financial year: (a) Total amount to be spent for the financial year (b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year is detailed below:	₹ 41,22,478 ₹ 41,22,478 Not spent

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and the district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1	NOT SPENT						
2							
	TOTAL						

*Give details of implementing agency:

- In case the company has failed to spend the two percent of the average net profit of the last financial years or any part thereof, the reasons for not spending the amount in its Board Report.
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

JAGDISH K. VALECHA
Committee Member

DINESH H. VALECHA
Committee Member

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. The Company continues to focus its resources strengths and strategies to achieve the highest standards of Corporate Governance and endeavours to implement the code of Corporate Governance in its true spirit.

2. Board of Directors:

The Board of the Company consists of 4 (Four) Directors of which 3 (Three) are Executive Directors and 1 (One) is Non-Executive Director and out of 4 (Four) Directors 1 (One) is Independent Director and 3 (Three) are Non-Independent Directors. The Chairman of the Company is Mr. Arvind Thakkar (Non-Executive & Independent Director). The Company is in process of appointing requisite number of Independent/Non-Executive and Woman Director so as to comply with Clause-49 of the Listing Agreement.

During the year 2014-2015, the Board met Eight 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, 2014, 13th August, 2014, 27th September, 2014, 30th September, 2014, 17th October, 2014, 14th November, 2014, 12th February, 2015 and 13th March, 2015.

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	—	—	—
Mr. J. K. Valecha	Executive & Non-Independent	00013070	8	Attended	2	3	—
Mr. D. H. Valecha	Executive & Non-Independent	00012945	8	Attended	2	3	—
Mr. U. H. Valecha	Executive & Non-Independent	00012991	6	Attended	2	—	—
Mr. G. Ramachandran**	Non-Executive & Independent	00102506	6	Attended	—	—	—
Mr. Arvind Thakkar	Non-Executive & Independent	02208108	2	Not Attended	—	—	3

* Mr. Anil Harish resigned on 30th September, 2014

** Mr. G. Ramachandran resigned on 4th April, 2015

Details of Directors seeking appointment/reappointment at the 38th Annual General Meeting: (Pursuant to Clause 49 of the Listing Agreement):

1	Name Age Qualifications Shareholding as on 31-03-2015 Expertise Other Directorship Committee Member/Chairmanship	Mr. Jagdish K. Valecha 56 years B.Com. Nil Over 32 years of experience in execution of Civil Construction Works. Valecha Infrastructure Limited and Valecha Power Limited (excluding private companies, foreign companies & section 25 companies) Member – Audit Committee (Valecha Engineering Ltd.) Member – Stakeholder's Relationship Committee (Valecha Engineering Ltd.) Member – CSR committee (Valecha Engineering Ltd.)
2.	Name Age Qualifications Shareholding as on 31-03-2015 Expertise Other Directorship Committee Member/Chairmanship	Mr. Dinesh H. Valecha 45 years B.E. (Electronics) D.B.M. 2812 Over 22 of experience in Civil Construction Works. Valecha Infrastructure Limited and Valecha Reality Limited (excluding private companies, foreign companies & section 25 companies) Member – Stakeholder's Relationship Committee (Valecha Engineering Ltd.) Member – Audit Committee (Valecha Engineering Ltd.) Member – CSR Committee (Valecha Engineering Ltd.)

3.	Name	Mr. Umesh H. Valecha
	Age	39 years
	Qualifications	B.E. (Civil)
	Shareholding as on 31-03-2015	2587
	Expertise	Over 16 years of experience of Civil Construction Works.
	Other Directorship	Valecha Infrastructure Limited and Valecha Reality Limited (excluding private companies, foreign companies & section 25 companies)
	Committee Member/Chairmanship	Nil

3. Audit Committee:

As on 31st March, 2015 the Audit Committee consisted of Mr. G. Ramachandran – Chairman, Mr. J. K. Valecha – Member and Mr. Arvind Thakkar - Member. The audit Committee was reconstituted on 14th November, 2014 appointing Mr. Arvind Thakkar after resignation of Mr. Anil Harish. The audit Committee was reconstituted on 2nd May, 2015 appointing Mr. Dinesh Valecha in place of Mr. G. Ramachandran and appointing Mr. Arvind Thakkar as the Chairman of the Committee. The Company is in process of appointing requisite members in compliance of clause 49 & Companies Act 2013.

The Audit Committee met Five Times during the year 2014-2015 on 30th May, 2014, 13th August, 2014, 14th November, 2014, 12th February, 2015 and 13th March, 2015 the attendance of the members at the meeting was as follows:

Name of Directors	Category	No. of Meeting Attended
Mr. G. Ramachandran*	Non-Executive & Independent	4
Mr. Anil Harish **	Non-Executive & Independent	2
Mr. J. K. Valecha	Executive & Non-Independent	5
Mr. Arvind Thakkar***	Non-Executive & Independent	1
Mr. Dinesh Valecha ****	Executive & Non-Independent	—

* Mr. G. Ramachandran resigned on 4th April, 2015.

** Mr. Anil Harish resigned on 30th September, 2014.

*** Mr. Arvind Thakkar appointed on 14th November, 2014.

**** Mr. Dinesh Valecha appointed on 2nd May, 2015.

The terms of reference of the Committee are wide enough to cover matters specified for Audit Committee under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

4. Nomination and Remuneration Committee:

As on 31st March, 2015 the Remuneration Committee consisted of Mr. G. Ramachandran – Chairman, Mr. Arvind Thakkar – Member and Mr. Dinesh H. Valecha. The Remuneration Committee was reconstituted on 12th February, 2015 appointing Mr. Dinesh Valecha after resignation of Mr. Anil Harish. The Remuneration Committee was reconstituted on 2nd May, 2015 appointing Mr. Jagdish Valecha in place of Mr. G. Ramachandran. Since, the Company is in the process of appointing requisite number of Independent/Non-Executive Directors, the Committee shall be re-constituted accordingly.

The 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 2014-2015:

(₹ in lacs)

Sr. No.	Name of Directors	Salary and Perquisites	Sitting Fees	Commission	Total
1.	Mr. Anil Harish	—	0.05	—	0.05
2.	Mr. Jagdish K. Valecha	76.63	—	—	76.63
3.	Mr. Dinesh H. Valecha	42.77	—	—	42.77
4.	Mr. Umesh H. Valecha	43.14	—	—	43.14
5.	Mr. G. Ramachandran	—	0.05	—	0.05
6.	Mr. Arvind Thakkar	—	—	3.00	3.00
	Total	162.54	0.10	3.00	165.64

Number of equity shares held by other Non-Executive Directors as on 31st March, 2015.

Name of the Director	Number of shares
Mr. Arvind Thakkar	347698
Mr. G. Ramachandran	NIL

5. Stakeholder's Relationship Committee:

The Committee comprised of 3 Directors as on 31st March, 2015 Mr. J. K. Valecha (Executive & Non Independent), Mr. D. H. Valecha (Executive & Non-Independent) and Mr. G. Ramachandran (Non-Executive & Independent). On 2nd May, 2015 Mr. Arvind Thakkar was appointed as member and Chairman of Stakeholder Relationship Committee in place of Mr. G. Ramachandran.

Mr. Arvind Thakkar, the Chairman of the Committee is a Non-Executive Director. The Committee deals with all the matters 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 14 meetings during the year 2014-2015. As of 31st March, 2015 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. Independent Directors' Meeting

During the year under review, the Independent Directors met on 13th March, 2015 *inter alia*, to:

- (a) Review the performance of Non-Independent Directors and the Board as a whole;
- (b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and
- (c) Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors attended the Meeting.

7. Familiarisation programme for Independent Directors

As and when a new Independent Director is appointed, the Company takes steps to familiarize the Independent Director with the Company, his/her roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

The Directors are also explained in detail about the compliances required from them under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations.

8. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of the working of its own performance, the Directors individually as well as evaluation of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning.

The evaluation was done on various parameters such as vision and strategy, Board participation, Board disclosures of interests, review of risk management policies and evaluating plans with reference to risk and return, good governance, leadership skills, operations business development, human resource development, marketing and corporate communications etc. The Directors expressed their satisfaction with the evaluation process.

9. CSR Committee – The Board of Directors constituted CSR Committee on 12th February, 2015 consisting of Mr. Arvind Thakkar, Mr. Jagdish Valecha and Mr. Dinesh Valecha.**Terms of reference:**

- (a) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and
- (b) To provide guidance on various CSR activities to be undertaken by the Company and to monitor progress.

Meeting of the Committee was held on 12th February, 2015. Since, the Company has incurred losses for the Current year and due to constrained Cash Flows the requisite amount could not be spent on CSR activities.

10. Risk Management Policy

The Company has set up a Risk Review Team ("Team") to review the risks faced by the Company and monitor the development and deployment of risk mitigation action plans. The Team reports to the Board of Directors and the Audit Committee who provide oversight for the entire risk management framework in the Company.

Accordingly, during the year, the Directors have reviewed the risk management policy and processes and also the risks faced by the Company and the corresponding risk mitigation plans deployed.

11. Details of establishment of Vigil Mechanism for directors and employees.

In compliance with the provisions of section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has framed a Vigil Mechanism/Whistle Blower policy to deal with unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy, if any. The Vigil Mechanism/ Whistle Blower policy has also been uploaded on the website of the Company.

12. Subsidiary Companies:

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

13. General Body Meetings:

The last three Annual General Meeting 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
29th September, 2014	4.00 p.m.	Remuneration to Non-Executive Directors Borrowing Power Creation of charges Office or place of profit	197 180 (1) (c) 180 (1) (a) 188
26th September, 2013	4.00 p.m.	Office or place of profit	314
17th September, 2012	4.00 p.m.	NIL	NIL

Resolutions passed through Postal Ballot

The following Special Resolutions were passed by way of Postal Ballot during the year 2014-15:

- To approve issue of up to 30,00,000 (Thirty Lakh) equity shares of the Company on Preferential basis in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”).
- To consider giving Loans/ Guarantees or providing securities and/or making investments by the company u/s 186 of the Companies Act. Pursuant to the authority of the Board of Directors, Mr. Devang J. Vyas, Practicing Company Secretary was appointed as scrutinizers. The aforesaid resolutions were passed with requisite majority.

14. 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 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 except appointing requisite number of Directors and reconstituting the committees accordingly, have been complied with by the Company.

15. Means of Communication:

Quarterly Results	Published in National and local dailies such as Free Press Journal and The Navshakti (Marathi) and in official website of Bombay Stock Exchange (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com)
Publication in News Paper	Published in National and local dailies such as Free Press Journal and Nav Shakti (Marathi)
Publication in websites	www.valechaeng.com ; www.bseindia.com ; www.nseindia.com
Displaying of official news releases	www.valechaeng.com ; www.bseindia.com ; www.nseindia.com

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

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.

16. 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.

17. 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”. 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.

18. 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.

19. General Shareholder Information:

- * AGM :
 - Date : 30th September, 2015
 - 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 – 1st/2nd week of August
 - Second Quarter Results – 1st/2nd week of November
 - Third Quarter Results – 1st/2nd week of February
 - Annual Audited Result – Last week of May
- * Book Closure : 24th September, 2015 to 30th September, 2015
(Both the days are inclusive)
- * Listing on Stock Exchanges : BSE Limited
National Stock Exchange of India Limited
- * The listing fees for the financial year 2015-2016 of the stock exchanges has been paid.

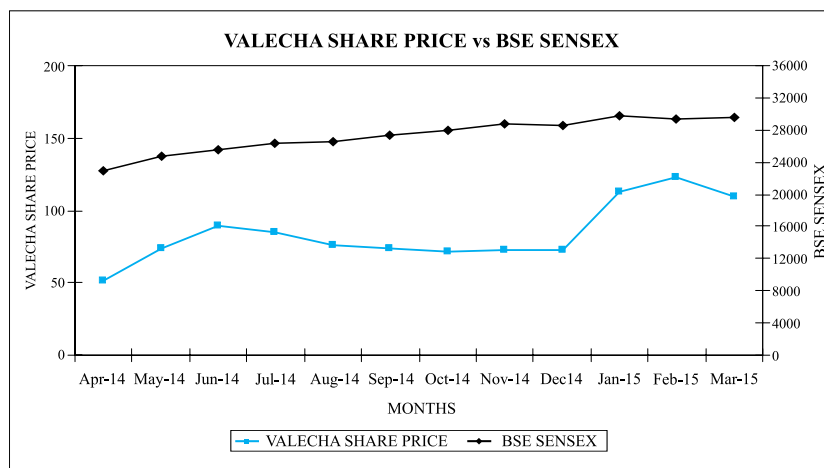
Listing on Stock Exchanges:

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 BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Month	BSE		NSE	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April, 2014	51.45	38.30	50.75	38.25
May, 2014	73.65	43.35	73.50	43.70
June, 2014	89.45	74.00	89.30	74.50
July, 2014	85.40	66.15	85.85	67.35
August, 2014	75.50	64.95	75.55	64.90
September, 2014	74.25	61.40	75.20	62.20
October, 2014	71.75	63.30	71.85	63.05
November, 2014	72.85	60.65	72.85	60.95
December, 2014	72.45	57.60	72.00	57.90
January, 2015	112.55	67.50	112.40	67.75
February, 2015	123.30	102.20	123.60	102.10
March, 2015	109.90	72.90	110.10	72.50



- * Registrar and Transfer Agents : TSR Darashaw Limited
6-10 Haji Moosa Patrawala Ind. Estate
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai-400 011.
CIN: U67120MH1985PLC037369
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, 2015.

Distribution of Holdings (as on 31st March, 2015)

Shareholding of Nominal Value		Shareholders		Share Amount	
₹	₹	No.	% To Total	₹	% To Total
1	5,000	9581	85.10	13094020	6.71
5,001	10,000	766	6.80	6097570	3.12
10,001	20,000	420	3.73	6331710	3.24
20,001	30,000	167	1.48	4182330	2.14
30,001	40,000	60	0.53	2182250	1.12
40,001	50,000	62	0.55	2912910	1.49
50,001	1,00,000	90	0.81	6741460	3.45
1,00,001	Above	113	1.00	153758000	78.73
TOTAL		11259	100.00	195300250	100.00

Share Holding Pattern

Sr. No.	Category	No. of Shares	%
1.	Promoters (Promoter group)	8687504	44.48
2.	NRI's	1245211	6.38
3.	Bodies Corporate	2059400	10.54
4.	Financial Institution/Mutual Fund	728567	3.73
5.	Foreign Institution Investors	871250	4.46
6.	Others:		
	Independent Directors	347698	1.78
	Shares held by Custodians issued against GDRs	0	0.00
	Indian Public	5590395	28.62
	TOTAL	19530025	100.00

- * Dematerialization of Shares: As on 31st March, 2015, 97.99% of the Company's total shares representing 1,91,38,047. Shares were held in dematerialised form.
- * Outstanding GDRs/ADRs/Warrants: There were no outstanding GDRs/ADRs/Warrants as on 31st March, 2015.

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 : U67120MH1985PLC037369
Tel. : 022-66568484
Fax : 022-66568494

20. DECLARATION UNDER CODE OF CONDUCT:

All Board Members and senior management personnel have, for the year ended 31st March, 2015, 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.

Place : Mumbai
Date : 17th July, 2015

JAGDISH K. VALECHA
Managing Director

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, 2015 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, other than the observations mentioned below:

Observations:

1. The Company is in the process of appointing requisite number of Independent/Non-Executive Directors, the Nomination & Remuneration Committee shall be re-constituted accordingly.
2. The Company is in process of appointing Woman Director so as to comply with Clause-49 of the 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 : 21st July, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure and Developments:

The government proposes to increase the investment in infrastructure by ₹ 700 billion in 2015-2016 over the preceding fiscal, sourcing the same from the Centre's fund and the resources of central public sector enterprises (CPSEs). Besides this, a series of announcements such as increasing investments, setting up of the National Investment and Infrastructure Fund (NIIF), tax-free infrastructure bonds, taxation benefits in respect of real estate investment trusts (REITs), the "plug-and-play" model for power projects and other sectors, and a consideration for fine-tuning the public private partnership (PPP) model for projects bode well for the infrastructure space.

(b) Opportunities and Threats/Risks and concerns:

The most important announcement pertains to the establishment of the National Infrastructure Investment Fund with a corpus of ₹ 200 billion. It will initially be funded by the government and in the future by raising debt to be invested in infrastructure finance companies such as the Indian Railway Finance Corporation and the National Housing Bank. Another noteworthy proposal is the conversion of existing excise duty on petrol and diesel.

Most Infrastructure projects are of long duration with very long gestation period. 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 ₹ 380 crores and got a high Pre-Qualification with government and private clients.

(d) Outlook:

India's increasing population, rapid urbanization, coupled with traffic congestion and the consequent demand for robust infrastructure have been the driving factors behind the growth of roads and bridge infrastructure.

The major infrastructure projects initiated and fast tracked by the Indian Government in the railway, roadway sectors, NHDP, dedicated freight corridors, high speed passenger corridors, State capital connectivity, port connectivity and border area connectivity programmes and replacement of old bridges on safety issue are all contributing to the growth of infrastructure.

Evidently, several new opportunities are opening up in infrastructure for developers, contractors, engineering consultants and others. The future looks even more bullish for various reasons.

The increasing demands on infrastructure will see the implementation of mega and complex projects.

(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:

During the current financial year, the company has achieved the turnover of ₹ 64,994.24 lacs against ₹ 67,027.06 lacs. Resulting into a marginal decrease by 3.03%. The Company has incurred post tax loss of ₹ 5,385.89 lacs against the profit after tax of ₹ 1,875.17 lacs. The company has calculated the depreciation in pursuance of the notification of Schedule-II of the Companies Act, 2013 w.e.f. 1st April, 2014, resulting into an addition charge of depreciation amounting to ₹ 1,703.18 lacs during the current financial year, otherwise the loss would have been lower to that extent.

(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**

1. We have audited the accompanying standalone financial statements of **Valecha Engineering Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report, under the provision of the Act and Rules made thereafter.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books, proper information/explanations and records adequate for the purpose of our audit have been received from the Project Sites not visited by us. We give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by section 143(3) of the Act, we report that:
 - a. We have sought and 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 it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements. (Refer note no. 28)
 - ii. The Company has made provision as at March 31, 2015 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

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

DILIP M. JANI
Proprietor

Place : Mumbai
Date : 30th May, 2015.

Membership No. 17259

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 9 of the Independent Auditors' Report of even date to the members of Valecha Engineering Limited on the standalone financial statements as of and for the year ended March 31, 2015.

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
2. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures 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 has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
3. The Company has granted loans, secured or unsecured to companies and/or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
 - (a) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - (b) In respect of the aforesaid loans and interest thereon, there is no overdue amounts.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us, during the year the Company has not accepted deposits from the public and shareholders within the meaning of Sections 73 and 74 of the Act and the rules framed there under to the extent notified. The Company has applied u/s. 74 (2) of the Act, before the Company Law Board, Mumbai Bench, Mumbai for extension of Fixed Deposits accepted before commencement of the Companies Act, 2013. 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.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act 2013 in respect of its construction activity and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. The contents of these accounts and records have not been examined by us.

7. In respect of statutory dues:
 - (a) According to the records of the Company undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable. However, there was a delay in payment of Income Tax TDS amounting to ₹ 1.96 crores which was paid in the month of May 2015.
 - (c) According to the information and explanations given to us and on the basis of the examination the amount required to be transferred to Investors Education and Protection Fund has been transferred by the Company during the year.
8. The Company has no accumulated losses as at March 31, 2015. However, the Company has incurred cash losses in the financial year ended on that date but the Company has not incurred any cash losses in the immediately preceding financial year.
9. In our opinion and according to the information and explanations furnished to us by the Company the following default existed in the repayment of dues to the financial institutions and Banks at the date of the balance sheet.

Sr. no.	Particulars	Amount in defaults (₹. in crores)	Period of defaults
1	ICICI Bank	0.15	March 2015
2	Central Bank	0.63	Feb & Mar 2015
3	Syndicate Bank	1.19	Feb & Mar 2015
4	State Bank of Bikaner & Jaipur	2.29	Feb & Mar 2015
	Total	4.26	

The above outstanding payments have been paid by the Company during the months of April & May 2015.

10. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are *prima facie* not prejudicial to the interests of the Company.
11. In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purposes for which they were obtained.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

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

DILIP M. JANI
Proprietor

Place : Mumbai
Date : 30th May, 2015.

Membership No. 17259

BALANCE SHEET AS AT 31st MARCH, 2015

(Amount in ₹)

PARTICULARS	NOTE NO.	As at 31st March, 2015		As at 31st March, 2014	
I. EQUITY AND LIABILITIES :					
1. Shareholders' Funds :					
a. Share Capital	1	19,53,00,250		19,53,00,250	
b. Reserves & Surplus	2	2,43,71,65,026	2,63,24,65,276	3,03,45,62,009	3,22,98,62,259
2. Non Current Liabilities :					
a. Long Term Borrowings	3	1,51,95,81,064		1,82,14,26,669	
b. Deferred Tax Liabilities (Net)	4	20,58,16,523		25,94,04,399	
c. Other Long Term Liabilities	5	2,08,13,51,302	3,80,67,48,889	1,93,88,41,441	4,01,96,72,509
3. Current Liabilities :					
a. Short Term Borrowings	6	91,93,97,796		86,68,21,569	
b. Trade Payables	7	1,58,37,57,910		1,25,98,07,554	
c. Other Current Liabilities	8	2,27,38,42,980		1,72,37,44,707	
d. Short Term Provisions	9	—	4,77,69,98,686	1,71,36,865	3,86,75,10,695
Total			11,21,62,12,851		11,11,70,45,463
II. ASSETS :					
1. Non Current Assets :					
a. Fixed Assets :	10				
Tangible Assets			1,23,65,66,624		1,56,46,30,760
b. Non Current Investments	11		1,28,91,24,306		96,26,68,351
c. Long Term Loans & Advances	12		2,04,75,457		1,33,94,506
2. Current Assets :					
a. Inventories	13	51,24,88,349		58,18,94,716	
b. Trade Receivables	14	2,65,52,51,100		2,50,51,33,712	
c. Cash and Cash Equivalents	15	64,05,94,692		71,81,96,994	
d. Short Term Loans & Advance	16	4,74,91,72,589		4,69,72,22,888	
e. Other Current Assets	17	11,25,39,734	8,67,00,46,464	7,39,03,536	8,57,63,51,846
Total			11,21,62,12,851		11,11,70,45,463
Significant Accounting Policies					
Notes on Financial Statements	1 to 31				

As per our report of even date
 For **D. M. JANI & CO.**
 Chartered Accountants
 FRN: 104047W

For and on behalf of the Board

Dilip M. Jani
 Proprietor
 Membership No. 17259
 Place : Mumbai.
 Date : 30th May, 2015.

Kavita Valecha Sharma
 Company Secretary

Dinesh Valecha
 Director
 DIN: 00012945

Jagdish K. Valecha
 Managing Director
 DIN 00013070

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

PARTICULARS	NOTE NO.	Year ended 31st March, 2015		Year ended 31st March, 2014	
I. INCOME					
Revenue from Operations	18		6,49,94,24,068		6,70,27,06,395
Other Income	19		12,17,16,950		13,72,79,388
Total Revenue			6,62,11,41,018		6,83,99,85,783
II. EXPENSES					
Construction Expenses	20		5,97,13,62,629		5,63,95,94,892
Changes in Inventories	20		6,94,06,367		(5,40,28,591)
Employee Benefit Expenses	21		29,04,13,556		36,92,97,334
Financial Cost	22		47,04,79,445		41,66,06,162
Depreciation and Amortisation Expense	23		28,29,04,954		11,08,05,901
Other Expenses	24		12,87,51,523		8,04,87,974
Total Expenses			7,21,33,18,474		6,56,27,63,672
III. PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEM & TAX					
			(59,21,77,456)		27,72,22,111
IV. Extraordinary Item (Income)					
			—		—
V. PROFIT/(LOSS) BEFORE TAX (III + IV)					
			(59,21,77,456)		27,72,22,111
VI. TAX EXPENSES					
Current Tax			—	7,75,00,000	
Deferred Tax		(5,35,87,876)	(5,35,87,876)	1,22,04,453	8,97,04,453
VII. PROFIT/(LOSS) FOR THE YEAR (V – VI)					
			(53,85,89,580)		18,75,17,658
Significant Accounting Policies and Notes on Financial Statements					
	1 to 31				
Earning Per Share of face value of ₹ 10/- each					
– Basic & Diluted (In ₹)					
			(27.58)		9.60

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants
FRN: 104047W

For and on behalf of the Board

Dilip M. Jani
Proprietor
Membership No. 17259
Place : Mumbai.
Date : 30th May, 2015.

Kavita Valecha Sharma
Company Secretary

Dinesh Valecha
Director
DIN: 00012945

Jagdish K. Valecha
Managing Director
DIN 00013070

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
A. Cash flow from Operating Activities		
Profit Before Tax and Extraordinary Items	(59,21,77,456)	27,72,22,111
Add/(Deduct) Adjustment for :		
Depreciation	28,29,04,954	11,08,05,901
Financial cost	47,04,79,445	41,66,06,162
Rent from Property	(4,36,32,784)	(4,22,92,444)
Miscellaneous Income	(97,25,669)	(1,07,73,345)
Interest Earned	(6,05,55,856)	(6,62,00,029)
Loss/(Profit) on Sale of Fixed Assets	27,81,591	11,839
Operating Profit Before Working Capital Changes	5,00,74,225	68,53,80,195
Adjustment for :		
Trade and Other Receivables	(52,49,88,230)	(80,61,79,181)
Inventories and Projects in Progress	3,07,70,169	(10,62,30,721)
Trade and other Payables	48,69,04,704	51,37,04,876
Cash Generated From Operations	4,27,60,868	28,66,75,169
Direct Taxes (Paid)	(1,19,91,729)	(11,34,43,816)
Prior year adjustments	(97,74,104)	(10,45,094)
Net Cash Flow from Operating Activities	2,09,95,035	17,21,86,259
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2,80,99,522)	(5,24,49,096)
Proceeds from Sale of Fixed Assets	2,14,43,815	24,519
Proceeds from Sale of Investments	(32,64,55,955)	(23,19,17,608)
Advance to Subsidiary Company	32,78,31,918	(12,39,98,888)
Interest Earned	6,05,55,856	6,62,00,029
Rent and Miscellaneous Receipts	5,33,58,453	5,30,65,789
Net Cash From Investing Activities	10,86,34,565	(28,90,75,255)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015 — (Contd.)

(Amount in ₹)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	29,04,32,222	38,73,44,385
Proceeds from Unsecured Borrowings	(6,51,13,387)	6,40,10,387
Proceeds from Short Term Borrowings	5,25,76,227	10,87,31,278
Financial Cost	(47,04,79,445)	(41,66,06,162)
Dividend Paid	(1,46,47,519)	(1,95,30,025)
Dividend Tax Paid	—	(31,68,258)
Net Cash Used in Financing Activities	(20,72,31,901)	12,07,81,605
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,76,02,302)	38,92,609
Opening Balance of Cash and Cash Equivalents	71,81,96,994	71,43,04,385
Closing Balance of Cash and Cash Equivalents	64,05,94,692	71,81,96,994

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants
FRN: 104047W

For and on behalf of the Board

Dilip M. Jani
Proprietor
Membership No. 17259
Place : Mumbai.
Date : 30th May, 2015.

Kavita Valecha Sharma
Company Secretary

Dinesh Valecha
Director
DIN: 00012945

Jagdish K. Valecha
Managing Director
DIN 00013070

SIGNIFICANT ACCOUNTING POLICIES**A. Basis of accounting and preparation of financial statements**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts.

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. Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, the useful life of fixed assets have been revised as prescribed there in. As a result, an amount of ₹ 485.06 lacs representing assets whose useful life has already exhausted as on 1st April, 2014 has been adjusted against retained earnings. In respect of remaining assets additional depreciation amounting to ₹ 1,703.18 lacs has been charged for the Year ended 31.03.2015.

D. Depreciation and amortisation

(i) Depreciation on Fixed Assets is calculated on “Straight Line Method” at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, w.e.f. 01.04.2014. Depreciation on Revalued Assets, is calculated on their respective book values, at the rates considered applicable by the valuers.

(ii) Free hold land is not depreciated.

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. Expected loss, if any, on the construction/projects, related activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration.
8. 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

All other Incomes 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. Borrowing cost

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

L. 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.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

M. 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. However, out of the total Debtors of more than six months old of ₹ 7,400.99 lacs the management is of the opinion that an amount of ₹ 500.00 lacs is doubtful of recovery. Hence, a provision for doubtful debts is provided for ₹ 500.00 lacs during current financial year.

N. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is only indication of impairment based on internal/external factors. An assets is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
1. SHARE CAPITAL				
Authorised				
3,50,00,000 Equity Shares of ₹ 10/- each		35,00,00,000		35,00,00,000
Issued, Subscribed & Fully Paid				
1,95,30,025 Equity Shares of ₹ 10/- each fully paid-up.		19,53,00,250		19,53,00,250
		19,53,00,250		19,53,00,250

Note 1 (a) Reconciliation of the number of equity shares and share capital :

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	Amount in ₹	No. of Shares held	Amount in ₹
Equity Shares :				
Shares outstanding at the beginning of the year	1,95,30,025	19,53,00,250	1,95,30,025	19,53,00,250
Add : Shares issued during the year	—	—	—	—
Shares outstanding at the end of the year	1,95,30,025	19,53,00,250	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 entitle for one vote per share. In the event of liquidation, the equity share holders are entitle to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

Note 1 (c) Shareholder holding more than 5% of equity shares as at the end of the year :

Name of the Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	% held	No. of Shares	% held
Valecha Investment Pvt. Ltd.	71,54,749	36.64	78,25,000	40.07

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
2. RESERVES AND SURPLUS				
a. Securities Premium Account :				
Balance as per last Balance Sheet		84,09,37,635		84,09,37,635
b. Revaluation Reserve :				
Balance as per last Balance Sheet	66,54,860		73,48,866	
Less : Depreciation on revalued assets	5,27,065	61,27,795	6,94,006	66,54,860
c. General Reserve :				
Balance as per last Balance Sheet	43,89,80,873		39,89,80,873	
Add : Transfer from surplus in Statement of Profit & Loss	—	43,89,80,873	4,00,00,000	43,89,80,873
d. Surplus in Statement of Profit & Loss :				
Balance as per last Balance Sheet	1,74,79,88,641		1,61,86,52,942	
Add : Profit/(Loss) for the Year	(53,85,89,580)		18,75,17,658	
Less : Additional Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013 (Ref Note No. 10)	4,85,06,234		—	
Less : Prior Year Adjustments for Taxes & Others	97,74,104		10,45,094	
	1,15,11,18,723		1,80,51,25,506	
Less : Appropriations				
Transfer to General Reserves	—		4,00,00,000	
Proposed Dividend	—		1,46,47,519	
Tax on Dividend	—	1,15,11,18,723	24,89,346	1,74,79,88,641
		2,43,71,65,026		3,03,45,62,009

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
3. LONG TERM BORROWINGS		
a. Secured		
Term Loans :		
i. From Banks	1,18,19,37,528	78,51,15,178
ii. From Financial Institutions	18,93,00,536	69,03,47,104
b. Unsecured		
i. Fixed Deposits	14,83,43,000	34,59,64,387
	1,51,95,81,064	1,82,14,26,669

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 ₹ Nil (March 2014 : ₹ 2.24 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 ₹ Nil (March 2014 : ₹ 3.39 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 2014 : ₹ 2.12 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.
(4) Auto Loan with the outstanding balance of ₹ Nil (March 2014 : ₹ 5.44 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.
(5) Term Loan with the outstanding balance of ₹ 325.53 lacs (March 2014 : ₹ 487.77 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.
(6) Term Loan with the outstanding balance of ₹ 16.19 lacs (March 2014 : ₹ 27.73 lacs) 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.
(7) Term Loan with the outstanding balance of ₹ 10.94 lacs (March 2014 : ₹ 15.71 lacs) 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.
(8) Term Loan with the outstanding balance of ₹ 7.12 lacs (March 2014 : ₹ 12.03 lacs) 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.
(9) Term Loan with the outstanding balance of ₹ 14.72 lacs (March 2014 : ₹ 21.99 lacs) 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.
(10) Term Loan with the outstanding balance of ₹ 1,438.57 lacs (March 2014 : ₹ 1,548.39 lacs) 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.
(11) Term Loan with the outstanding balance of ₹ 2,080.08 lacs (March 2014 : ₹ 2,294.11 lacs) 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
Nature of Security and Terms of Repayment for Long Term Secured Borrowings

Nature of Security	Terms of Repayment
(12) Term Loan with the outstanding balance of ₹ 2,151.34 lacs (March 2014 : ₹ 2,314.65 lacs) 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.
(13) Term Loan with the outstanding balance of ₹ Nil (March 2014 : ₹ 3,000 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.
(14) Term Loan with the outstanding balance of ₹ 3,663.49 lacs (March 2014 : ₹ 5,037.57 lacs) is secured by first & exclusive charge on the project receivables of 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.
(15) Corporate Loan with the outstanding balance of ₹ 1,558.60 lacs (March 2014 : ₹ 1,921.43 lacs) 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.
(16) Term Loan with the outstanding balance of ₹ 6,216.37 lacs (March 2014 : ₹ 3,036.89 lacs) is secured by first & exclusive charge on the project receivables for EPC from Rapti Nahar Nirman Mandal-II Irrigation Dept. Basti Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 36 months payable in quarterly installments with the moratorium period of 12 months. Rate of Interest at 12.25% p.a.
(17) Term Loan with the outstanding balance of ₹ 211.58 lacs (March 2014 : ₹ 252.50 lacs) is secured by exclusive charge on the property purchased.	Repayable in 60 monthly installments with the last installment due in March 2019. Rate of interest at 10.50% p.a.
(18) Term Loan with the outstanding balance of ₹ 5,000.00 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific immovable property & JSL & VIL Shares.	Repayable in 18 quarterly installments with the last installment due in Sept. 2020. Rate of interest at 12.15% p.a.
(19) Term Loan with the outstanding balance of ₹ 6.36 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific machine.	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of interest at 10.25% p.a.
(20) Term Loan with the outstanding balance of ₹ 50.47 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific vehicles.	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a.
(21) Term Loan with the outstanding balance of ₹ 37.20 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific Machineries.	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a.
(22) Term Loan with the outstanding balance of ₹ 15.83 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific Machineries.	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a.
(23) Term Loan with the outstanding balance of ₹ 85.41 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific vehicles.	Repayable in 46 monthly installments with the last installment due in July 2018. Rate of Interest at 10.50% p.a.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
4. DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Balance as per Last Balance Sheet	25,94,04,399	24,71,99,946
Deferred tax Charged during the Year:		
a. Difference between book depreciation and tax depreciation during the year	(5,40,95,607)	1,22,04,453
b. For provision for doubtful debts	1,69,95,000	—
c. For deferred tax credit impact of schedule II of the Company's Act	(1,64,87,269)	—
Deferred tax Charged during the Year:	(5,35,87,876)	1,22,04,453
Deferred Tax Liabilities/(Assets)	20,58,16,523	25,94,04,399
5. OTHER LONG TERM LIABILITIES		
a. Advance from Contractees	50,36,34,285	45,68,33,924
b. Non Current Liabilities – Trade	72,06,08,015	69,93,13,581
c. Non Current Liabilities – Others	85,71,09,002	78,26,93,936
	2,08,13,51,302	1,93,88,41,441
6. SHORT TERM BORROWINGS		
From Banks:		
a. Working Capital Loans – Cash Credit Limits	75,78,91,165	63,71,04,427
b. Short Term Facilities	11,03,56,631	22,97,17,142
From Others:		
a. Other Short Term Loans	5,11,50,000	—
	91,93,97,796	86,68,21,569
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. Short Term Facilities from Banks are either unsecured and/or against the securities offered under the working capital loans.		
iii. Other Short Term loans are unsecured.		
	As at 31.03.2015	As at 31.03.2014
7. TRADE PAYABLES		
Micro, Small and Medium Enterprises	1,86,20,000	—
Others	1,56,51,37,910	1,25,98,07,554
	1,58,37,57,910	1,25,98,07,554
7.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:		
<u>Particulars</u>		
Principal amount due and remaining unpaid	1,86,20,000	—
Interest due on above and the unpaid interest	—	—
Interest paid	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	—	—
Interest accrued and remaining unpaid	—	—
Amount of further interest remaining due and payable in succeeding years	—	—
	1,86,20,000	—

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
8. OTHER CURRENT LIABILITIES		
a. Current Maturities of Long Term Debts	91,75,90,034	52,29,33,594
b. Current Maturities of Advance from Contractees	47,56,73,932	49,05,04,367
c. Current Maturities of Fixed Deposits	25,74,38,000	12,49,30,000
d. Unclaimed Dividends *	13,74,183	14,76,072
e. Statutory Dues	17,66,64,392	7,91,36,544
f. Secured Advance from Contractees	22,72,59,536	14,15,45,378
g. Others	21,78,42,903	36,32,18,752
	2,27,38,42,980	1,72,37,44,707
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.		
9. SHORT TERM PROVISIONS		
a. Proposed Dividend	—	1,46,47,519
b. Tax on Dividend	—	24,89,346
	—	1,71,36,865

10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				Amount Charged to Retained Earnings	NET BLOCK	
	As at 01.04.2014	Addition	Deduction	As at 31.03.2015	Upto 31.03.2014	For the Year	Adjustment	As at 31.03.2015		As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Land Freehold	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	1,07,41,654	6,33,938	—	1,13,75,592	—	2,50,89,211	2,57,23,149
Plant & Machinery	1,93,30,95,609	1,23,60,909	2,45,18,115	1,92,09,38,403	52,26,58,992	26,38,77,234	50,33,620	78,15,02,606	2,12,01,534	1,11,82,34,263	1,41,04,36,617
Furniture and Fixtures	6,45,10,143	7,78,861	28,490	6,52,60,514	3,21,92,468	61,18,947	11,490	3,82,99,925	1,79,38,278	90,22,311	3,23,17,675
Vehicles	15,57,03,338	1,49,59,752	1,15,06,063	15,91,57,027	9,98,13,233	1,28,01,900	67,82,152	10,58,32,981	93,66,422	4,39,57,625	5,58,90,105
Total	2,23,00,37,107	2,80,99,522	3,60,52,668	2,22,20,83,961	66,54,06,347	28,34,32,019	1,18,27,262	93,70,11,103	4,85,06,234	1,23,65,66,624	1,56,46,30,760
Previous Year	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	

Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, the useful life of fixed assets have been revised as prescribed therein. As a result, an amount of ₹ 485.06 lacs representing assets whose useful life has already exhausted as on 1st April, 2014 has been adjusted against retained earnings. In respect of remaining assets additional depreciation amounting to ₹ 1,703.18 lacs has been charged for the Year ended 31.03.2015.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

11. NON CURRENT INVESTMENTS

PARTICULARS	As at 31-03-2015		As at 31-03-2014	
	Qty. Nos.	Book value ₹	Qty. Nos.	Book value ₹
LONG TERM INVESTMENTS (AT COST)				
A. EQUITY SHARES : UNQUOTED & FULLY PAID				
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	4,900	49,000
Aryavrat Tollways Pvt. Ltd. - Non-Voting Shares (Face Value ₹ 10/- each)	44,100	4,41,000	44,100	4,41,000
Total		27,02,50,200		27,02,50,200
B. INVESTMENT IN SUBSIDIARY COMPANIES				
Valecha Infrastructure Limited (Fully paid Equity Share Face Value ₹ 10/- each)	50,000	5,00,000	50,000	5,00,000
Valecha International (FZE) — (Fully paid Equity Share Face Value)	1	25,50,465	1	24,49,710
Professional Realtors Pvt. Ltd. (Fully paid Equity Share Face Value ₹ 10/- each)	10,000	1,80,45,000	10,000	1,80,45,000
Valecha Kachchh Toll Roads Ltd. (Fully paid Equity Share Face Value ₹ 10/- each)	3,98,35,000	39,83,50,000	2,98,35,000	29,83,50,000
Valecha Kachchh Toll Roads Ltd. (Promotor's Contribution)	—	51,37,00,000	—	32,81,00,000
Total		93,31,45,465		64,74,44,710
C. INVESTMENT IN BUILDINGS				
Abstract :				
A. Equity Shares : Unquoted		27,02,50,200		27,02,50,200
B. Investment in Subsidiary Companies		93,31,45,465		64,74,44,710
C. Investment in Buildings		8,57,28,641		4,49,73,441
Grand Total		1,28,91,24,306		96,26,68,351

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
12. LONG TERM LOANS & ADVANCES (Unsecured and considered good)				
Security Deposit		2,04,75,457		1,33,94,506
		2,04,75,457		1,33,94,506
13. INVENTORIES				
Stock of Materials		51,24,88,349		58,18,94,716
		51,24,88,349		58,18,94,716

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
14. TRADE RECEIVABLES				
a. Trade receivables outstanding for a period exceeding six months.				
Unsecured and considered good		69,00,99,400		56,99,21,076
Unsecured, considered doubtful		5,00,00,000		—
Less : Provision for Doubtful Debts		(5,00,00,000)		—
		69,00,99,400		56,99,21,076
b. Trade receivables outstanding for a period less than six months.				
Unsecured and considered good		1,96,51,51,700		1,93,52,12,636
		2,65,52,51,100		2,50,51,33,712
15. CASH AND CASH EQUIVALENTS				
a. Cash on Hand		52,02,472		41,61,329
b. Bank Balances				
i. Current Accounts		24,28,82,185		25,14,01,127
ii. Unclaimed Dividend Accounts		14,26,664		14,76,072
iii. In Deposit Accounts (Lien against Bank Guarantees, Letter of Credits and EMDs)		39,10,83,371		46,11,58,466
		64,05,94,692		71,81,96,994
16. SHORT TERM LOANS & ADVANCES (Unsecured and Considered Good)				
a. Loans and Advances to Subsidiary Companies		1,60,07,42,732		1,92,85,74,650
b. Loans and Advances to Related Parties		7,45,29,046		12,61,45,700
c. Loans and Advances to Employees		1,17,67,521		94,78,350
d. Duties & Taxes Recoverable		31,47,75,468		28,67,92,479
e. Advances Recoverable in Cash or in kind		1,92,90,47,235		1,53,94,50,936
f. Deposits with Contractees & Others		65,11,81,381		65,16,43,296
g. Advance Income Tax Paid	24,46,29,206		45,67,15,477	
Less : Provisions for Income Tax	7,75,00,000	16,71,29,206	30,15,78,000	15,51,37,477
		4,74,91,72,589		4,69,72,22,888
17. OTHER CURRENT ASSETS				
Projects in Progress and Others		11,25,39,734		7,39,03,536
		11,25,39,734		7,39,03,536

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	Year ended 31.03.2015		Year ended 31.03.2014	
18. REVENUE FROM OPERATIONS				
Revenue from Operation		6,49,94,24,068		6,70,27,06,395
		6,49,94,24,068		6,70,27,06,395
19. OTHER INCOME				
a. Interest Income		6,05,55,856		6,62,00,029
b. Lease Rental Income		4,36,32,784		4,22,92,444
c. Miscellaneous Income		97,25,669		1,07,73,345
d. Foreign Exchange Fluctuation Gain		78,02,641		1,80,13,570
		12,17,16,950		13,72,79,388
20. CONSTRUCTION EXPENSES				
a. Materials Purchase		2,06,71,68,222		1,77,33,87,947
b. Sub-Contracting and Transportation Expenses		2,87,86,97,875		2,65,31,97,610
c. Power and Fuel		12,34,94,432		22,54,73,289
d. Value Added Tax, Service Tax & Labour Cess		14,32,61,436		10,82,11,562
e. Repairs, Rent & Maintenances to Plant & Machinerics and Vehicles		31,09,79,678		40,87,56,502
f. Insurance		1,24,80,930		1,92,61,424
g. Site Expenses		43,52,80,056		45,13,06,558
		5,97,13,62,629		5,63,95,94,892
h. Changes in Inventories				
Opening Stock	58,18,94,716		52,78,66,125	
Less : Closing Stock	51,24,88,349	6,94,06,367	58,18,94,716	(5,40,28,591)
		6,04,07,68,996		5,58,55,66,301
21. EMPLOYEE BENEFIT EXPENSES				
a. Salaries, Wages, Gratuity and Bonus		27,57,14,726		34,97,48,878
b. Contribution to Provident Fund, Gratuity and other funds		1,36,88,354		1,79,92,731
c. Welfare Expenses		10,10,476		15,55,725
		29,04,13,556		36,92,97,334

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

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 recognized 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 recognized by the Company's financial statements as at 31st March, 2015.

Particulars	Amount (₹)
Changes in Present value of Obligations	
Present value of Obligations as at beginning of year	1,69,87,053
Interest Cost	13,58,964
Current Service Cost	16,46,329
Benefits paid	(45,84,694)
Actuarial (Gain)/Loss on Obligations	25,03,334
Present value of obligations as at end of year	1,79,10,986
Changes in the fair value of plan assets	
Fair value of plan assets at beginning of year	1,56,99,118
Expected return on plan assets	12,60,343
Contributions	3,53,741
Benefits paid	(45,84,694)
Actuarial (Gain)/Loss on plan assets	—
Fair value of plan assets at the end of year	1,27,28,508
The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss	
Present value of obligations as at the end of year	1,79,10,986
Fair value of plan assets as at the end of the year	1,27,28,508
Funded status	(51,82,478)
Liability/(Assets) recognized in balance sheet	51,82,478
Expenses Recognized in Statement of Profit & Loss	
Current Service Cost	16,46,329
Interest Cost	13,58,964
Expected return on plan assets	(12,60,343)
Net Actuarial (Gain)/Loss recognized in the year	25,03,334
Expenses recognized in statement of Profit & Loss	42,48,284

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	Year ended 31.03.2015	Year ended 31.03.2014
22. FINANCIAL COST		
Interest Expenses		
a. Banks	26,35,73,723	18,36,29,810
b. Financial Institutions	6,47,34,100	13,03,49,918
c. Others	14,21,71,622	10,26,26,434
	47,04,79,445	41,66,06,162
23. DEPRECIATION & AMORTISATION EXPENSE		
Depreciation & Amortisation	28,34,32,019	11,14,99,907
Less : Depreciation on Revalued assets charged to Revaluation Reserves	5,27,065	6,94,006
	28,29,04,954	11,08,05,901
24. OTHER EXPENSES		
a. Rates and taxes	67,23,871	33,53,520
b. Printing and stationery	7,94,220	9,30,976
c. Telephone and Postage	17,44,427	22,57,610
d. Advertisement	1,06,139	1,75,047
e. Traveling and conveyance	3,05,350	6,16,450
f. Business promotion	6,26,871	7,80,667
g. Electricity charges	17,92,649	17,46,316
h. Professional Fees	1,64,48,277	1,80,56,245
i. Office Maintenance	89,42,847	57,20,909
j. Tender Expenses	17,47,523	46,08,122
k. Bank charges	1,64,41,054	1,61,51,412
l. Directors Remuneration	1,62,56,083	1,70,18,908
m. Commission to Non-executive Directors	3,00,000	17,50,000
n. Payments to Auditor	16,52,250	14,23,598
o. General expenses	20,88,371	58,86,355
p. Loss on sale of assets	27,81,591	11,839
q. Provision for Doubtful Debts	5,00,00,000	—
	12,87,51,523	8,04,87,974
24.1 PAYMENT TO AUDITOR		
Audit Fees	13,00,000	11,50,000
Certification and Other Services including Service Tax	3,52,250	2,73,598
	16,52,250	14,23,598

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	Year ended 31.03.2015	Year ended 31.03.2014
25. EARNING PER SHARE		
1. Net Profit after Tax (With Extraordinary Income)	(53,85,89,580)	18,75,17,658
Less : Extraordinary Income	—	—
2. Net Profit after Tax & Extraordinary Income	(53,85,89,580)	18,75,17,658
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	(27.58)	9.60
26. EXPENDITURE IN FOREIGN CURRENCY		
i. C.I.F. Value of Imports		
a. Capital Goods	—	35,87,010
b. Components & Spare Parts	—	18,18,931
ii. Technical & Engineering Fees	2,10,877	36,85,368
iii. Travelling & Other Expenses	—	—

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
(A) Particulars of Subsidiary and Associate Companies		
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	58%
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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

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) Particulars of Joint Ventures		
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 - Transtunnelstroy (Joint Venture)	Joint Venture Member	
5. KSSIPL - VEL (JV)	Joint Venture Member	
6. Valecha - VKJ (JV)	Joint Venture Member	
7. Valecha - Shivalaya - Intradel (JV)	Joint Venture Member	
(C) Key Management Personnel		
1. Arvind Thakkar	Chairman	
2. Jagdish K. Valecha	Managing Director	
3. Umesh H. Valecha	Whole Time Director	
4. Dinesh H. Valecha	Whole Time Director	
(D) Others		
1. Kavita Valecha Sharma	Company Secretary	
2. Karan Jagdish Valecha	Sr. Executive	
3. Kapil Jagdish Valecha	Sr. Engineer	

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

(Amount in ₹)

	2014-15	2013-14
(E) Transactions with Associate Companies		
1. Equity Contribution	26,95,01,500	26,95,01,500
2. Deposit/Loans/Repayment received during the year	11,72,02,000	13,57,99,990
3. Deposit/Loans given/Repaid during the year	6,55,85,346	15,48,60,016
4. Interest Received	1,16,47,503	1,26,68,150
5. Outstanding Balance – Amount Receivables	7,45,29,046	12,61,45,700
(F) Transactions with Subsidiary Companies		
1. Equity Contribution	41,94,45,465	31,93,44,710
2. Promotor Contribution/Application Money	51,37,00,000	32,81,00,000
3. Deposit/Loans/Repayment received during the year	83,45,28,074	47,41,216
4. Deposit/Loans given/Repaid during the year	45,97,60,819	12,88,37,181
5. Outstanding Balance – Amount Receivable	1,60,07,42,732	1,92,85,74,650
(G) Transactions with Joint Ventures/Subsidiary Companies		
1. Sales	61,39,19,715	2,21,13,88,456
2. Advance received during the year	14,23,46,939	6,16,87,625
3. Advance repaid during the year	12,64,25,067	19,38,05,860
4. Outstanding Balance – Amount Receivables	36,93,61,712	45,16,61,051
5. Outstanding Balance – Amount Payable	39,32,48,734	37,73,26,862
(H) Transactions with Key Management Personnel		
1. Remuneration paid during the year	1,62,56,083	1,70,18,908
2. Sitting Fees	10,000	35,000
3. Commission	3,00,000	17,50,000
(I) Transactions with Other Persons		
1. Remuneration paid during the year	63,54,394	42,68,832

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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

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 ₹ 33,755.99 lacs (Previous Year ₹ 40,268.55 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 ₹ 57,724 lacs (Previous Year ₹ 53,750 lacs), Counter Guarantee issued in favour of the lenders is to the extent of ₹ 54,537.00 lacs (Previous Year ₹ 50,397.50 lacs). Company also holds the Corporate Guarantee of the Minority Shareholder amounting to ₹ 828.62 lacs (Previous Year ₹ 871.65 lacs), in its favour.
- iii. Necessary provisions are made for the present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

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 the Companies Act is not applicable.

30. CSR Expenditure :

- (a) Gross amount required to be spent by the company during the year is. ₹ 41,22,478/-
- (b) Amount spent during the year on :

Particulars	Amounts Spent in ₹	Yet to be spent in ₹	Total in ₹
(1) Construction/acquisition of assets	—	—	—
(2) On purposes other than (1) above	—	41,22,478	41,22,478

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
FRN: 104047W

For and on behalf of the Board

Dilip M. Jani
Proprietor
Membership No. 17259
Place : Mumbai.
Date : 30th May, 2015.

Kavita Valecha Sharma
Company Secretary

Dinesh Valecha
Director
DIN: 00012945

Jagdish K. Valecha
Managing Director
DIN 00013070

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries
(as on/for the period/year ended March 31, 2015)**

(Amount in ₹)

Sr. No.	Particulars	Valecha Infrastructure Ltd.	Valecha LM Toll Pvt. Ltd.	Valecha Badwani Sendhwa Toll Ways Ltd.	Valecha Kachchh Toll Roads Ltd.	Valecha International (FZE)	Professional Realtors Pvt. Ltd.
1	Reporting Currency	INR	INR	INR	INR	INR	INR
2	Share Capital	5,00,000	10,00,00,000	5,00,00,000	68,50,00,000	25,50,465	1,00,000
3	Reserves	3,34,74,072	(54,65,83,702)	(10,43,25,222)	—	—	(23,061)
4	Total assets	1,74,38,65,074	2,46,81,60,899	82,26,76,866	4,31,95,26,757	20,05,96,283	21,72,763
5	Total Liabilities	1,74,38,65,074	2,46,81,60,899	82,26,76,866	4,31,95,26,757	20,05,96,283	21,72,763
6	Investment except in the case of investment in subsidiary	83,26,26,242	—	—	—	—	—
7	Revenue from Operations	—	22,32,15,585	11,78,65,810	—	—	—
8	Other Income	3,50,000	1,06,40,019	4,89,433	—	—	—
9	Profit before Taxation	(8,273)	(18,42,48,571)	(3,69,96,044)	—	—	(3,513)
10	Provision for tax – (Deferred Tax)	—	(89,36,100)	(49,19,125)	—	—	—
11	Profit after Tax	(8,273)	(17,53,12,471)	(3,20,76,919)	—	—	(3,513)
12	% of Shareholding	100%	74%	74%	58%	100%	100%

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VALECHA ENGINEERING LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements (the "Consolidated Financial Statements") of VALECHA ENGINEERING LIMITED ("the Company") and its subsidiaries hereinafter refer to as the "Group", which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements to 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 principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules 2014. 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
5. 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 Companies

preparation and 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion

7. We Report that the Consolidated Financial Statements have been prepared by the Companies Management in accordance with the requirements of Accounting Standards (AS) 21 – Consolidated Financial Statements. According to the information and explanations given to us, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books, proper information/explanations and records adequate for the purpose of our audit have been received from the Project Sites not visited by us.
8. 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 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Group as at March 31, 2015 and its consolidated loss and consolidated cash flow for the year ended on that date.

Other Matters

9. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets (net) of ₹ 43,195.26 Lacs as at March 31, 2015. Total revenues (net) of ₹ Nil and net cash flows amounting to ₹ 62.81 Lacs for the year ended on that date. These unaudited financial statement have been certified by the Management and our report in so far as it relates to the amounts included in respect of subsidiaries is based solely on such certified unaudited financial statements.

10. We have relied on the unaudited financial statements of certain subsidiaries whose financial statements reflect total assets (net) of ₹ 34,914.34 Lacs as at March 31, 2015. Total revenues (net) of ₹ 3,522.10 Lacs and net cash flows amounting to ₹ (238.55 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.

Report on Other Legal and Regulatory Requirements

11. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order') based on the comments in the Auditors' Reports of the Holding company and subsidiary companies, we give in the annexure a statement on the matters specified in paragraphs 3 & 4 of the order, to the extent applicable.

12. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the holding company and the subsidiary companies as on March 31, 2015, and taken on record by the Board of Directors of holding company and its subsidiaries companies, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2015 on the consolidated financial position of the group.
- ii. The Company has made provision as at March 31, 2015 in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiary companies during the year ended March 31, 2015.

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

DILIP M. JANI
Proprietor

Place : Mumbai
Date : 30th May, 2015.

Membership No. 17259

ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

As stated in Para 1 'Report on Other Legal and Regulatory Requirement in our Auditors' report of even date, the following statement is based on the comments in the Auditors reports on the Consolidated financial statements of the Holding Company and subsidiary companies.

1. In respect of fixed assets: of the Holding Company and Subsidiary Companies
 - (a) The Holding Company and its subsidiary companies have maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management of the holding company and its subsidiary companies in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
2.
 - (a) The inventories have been physically verified by the respective management of the Holding Company and its subsidiary companies during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management of the holding company and its subsidiary companies are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Holding Company and its subsidiary companies are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Holding Company, its subsidiary companies have granted unsecured loans, to companies, firms or other parties covered in the register maintained by it under Section 189 of the Act.
 - (a) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - (b) In respect of the aforesaid loans and interest thereon, there is no overdue amounts.
4. In our opinion, and according to the information and explanations given to us by the management of the respective companies, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system of these companies.
5. In our opinion and according to the information and explanations given to us, during the year the holding company has not accepted deposits from the public and shareholders within the meaning of Sections 73 and 74 of the Act and the rules framed there under to the extent notified. The Company has applied u/s. 74 (2) of the Act, before the Company Law Board, Mumbai Bench, Mumbai for extension of Fixed Deposits accepted before commencement of the Companies Act, 2013. 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.
6. We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act 2013 in respect of its construction activity and are of the opinion that, *prima facie*, the prescribed accounts and cost records have been maintained. The contents of these accounts and records have not been examined by us. In respect of its subsidiary companies, as per the information and explanation furnish to us, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 for the products and services of the Subsidiary Companies.
7. In Respect of Statutory dues:
 - (a) According to the records of the Holding Company and as per information and explanation given to us in respect of its subsidiary companies, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.
 - (b) According to the information and explanations given to us, in respective companies, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming

payable. However, there was a delay in payment of Income Tax TDS amounting to ₹ 1.96 crores in holding company which was paid in the month of May 2015.

- (c) According to the information and explanations given to and on the basis of the examination of the records of the Holding Company and its subsidiary companies the amounts required to be transferred by the holding company to Investors Education and Protection Fund has been transferred within stipulated time. The subsidiary companies did not have any dues on account of investor Education and Protection Fund.
8. One of the subsidiary company has accumulated losses at the end of year on a standalone basis and has incurred cash losses on a standalone basis in the immediately preceding financial year and during the financial year. The Holding company do not have any accumulated losses at the end of the year on a standalone basis and have incurred cash losses on a standalone basis during the year and there was no cash losses incurred by the Holding Company in the immediately preceding financial year. On a consolidated basis, the Holding Company and its subsidiary do not have accumulated losses at the end of the year but have incurred cash losses during the year and have not incurred cash losses in the immediately preceding financial year.
9. In our opinion and according to the information and explanations furnished to us, in Holding Company the following default existed in the repayment of dues to the financial institutions and Banks at the date of the balance sheet.

Sr. no.	Particulars	Amount in defaults (₹ in crores)	Period of defaults
1	ICICI Bank	0.15	March 2015
2	Central Bank	0.63	Feb & Mar 2015
3	Syndicate Bank	1.19	Feb & Mar 2015
4	State Bank of Bikaner & Jaipur	2.29	Feb & Mar 2015
	Total	4.26	

The above outstanding payments have been paid by the Company during the months of April & May 2015.

As per the information and explanation given to us by the respective subsidiary companies they have not defaulted in the repayment of dues to the financial institutions and banks.

10. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Holding company has given the guarantees for loan taken by its Subsidiary from Banks and terms and conditions on which the Subsidiary Company has given the guarantees for loans taken by its Holding Company is not prejudicial to its interest.
11. In our opinion and according to the information and explanations given to us, the Holding Company and its Subsidiary companies have raised term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
12. During the course of our examination of the books and records of the Holding Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and the other auditors, in respect of subsidiaries, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

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

DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 30th May, 2015.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

(Amount in ₹)

PARTICULARS	NOTE NO.	As at 31st March, 2015		As at 31st March, 2014	
I. EQUITY AND LIABILITIES :					
1. Shareholders' Funds :					
(a) Share Capital	1	19,53,00,250		19,53,00,250	
(b) Reserves & Surplus	2	1,99,24,47,720	2,18,77,47,970	2,74,33,24,639	2,93,86,24,889
			15,29,09,393		20,68,30,631
2. Minority Interest					
3. Non Current Liabilities :					
(a) Long Term Borrowings	3	7,85,28,02,455		7,38,32,26,669	
(b) Deferred Tax Liabilities (Net)	4	24,38,15,963		31,12,59,064	
(c) Other Long Term Liabilities	5	1,90,73,17,300	10,00,39,35,718	1,93,88,41,441	9,63,33,27,174
4. Current Liabilities :					
(a) Short Term Borrowings	6	95,96,81,734		86,68,21,569	
(b) Trade Payables	7	1,60,26,56,550		1,27,25,78,675	
(c) Other Current Liabilities	8	2,30,28,35,874		1,52,74,19,877	
(d) Short Term Provisions	9	—	4,86,51,74,158	1,71,36,865	3,68,39,56,986
Total			17,20,97,67,239		16,46,27,39,680
II. ASSETS :					
1. Non Current Assets :					
(a) Fixed Assets :					
(i) Tangible Assets	10	1,23,91,52,890		1,56,91,65,744	
(ii) Intangible Assets		3,12,56,61,671		3,30,80,05,180	
(iii) Intangible Assets under Development		3,91,01,39,570		3,25,74,12,618	
(iv) Capital Work in Progress		20,10,50,636	8,47,60,04,767	14,62,03,361	8,28,07,86,903
(b) Non Current Investments	11		1,20,65,50,083		1,16,57,94,883
(c) Long Term Loans & Advances	12		2,32,81,323		1,62,00,372
2. Current Assets :					
(a) Inventories	13	51,24,88,349		58,18,94,716	
(b) Trade Receivables	14	2,65,49,56,168		2,41,52,04,005	
(c) Cash and Cash Equivalents	15	79,79,31,882		88,81,96,803	
(d) Short Term Loans & Advance	16	3,42,01,30,176		3,03,29,71,125	
(e) Other Current Assets	17	11,84,24,491	7,50,39,31,066	8,16,90,873	6,99,99,57,522
Total			17,20,97,67,239		16,46,27,39,680
Significant Accounting Policies					
Notes on Consolidated Financial Statements	1 to 27				

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants
FRN: 104047W

For and on behalf of the Board

Dilip M. Jani
Proprietor
Membership No. 17259
Place : Mumbai.
Date : 30th May, 2015.

Kavita Valecha Sharma
Company Secretary

Dinesh Valecha
Director
DIN: 00012945

Jagdish K. Valecha
Managing Director
DIN 00013070

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

PARTICULARS	NOTE NO.	Year ended 31st March, 2015		Year ended 31st March, 2014	
I. INCOME					
Revenue from Operations	18		6,84,05,05,463		7,06,47,33,700
Other Income	19		13,28,46,402		15,37,59,006
Total Revenue			6,97,33,51,865		7,21,84,92,706
II. EXPENSES					
Construction Expenses	20		5,98,30,54,643		5,65,07,30,141
Changes in Inventories	20		6,94,06,367		(5,40,28,591)
Employee Benefit Expenses	21		29,48,05,415		37,72,97,135
Financial Cost	22		81,27,16,363		76,22,23,604
Depreciation and Amortisation Expense	23		46,74,11,370		29,37,95,469
Other Expenses	24		15,93,91,565		10,25,37,667
Total Expenses			7,78,67,85,723		7,13,25,55,425
III. PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEM & TAX			(81,34,33,858)		8,59,37,281
IV. Extraordinary Item (Income)			—		—
V. PROFIT/(LOSS) BEFORE TAX (III + IV)			(81,34,33,858)		8,59,37,281
VI. TAX EXPENSES					
Current Tax			—	7,75,00,000	
Deferred Tax		(6,74,43,101)	(6,74,43,101)	(12,01,824)	7,62,98,176
VII. PROFIT/(LOSS) FOR THE YEAR (BEFORE ADJUSTMENT FOR MINORITY INTEREST) (V - VI)			(74,59,90,757)		96,39,105
VIII. Add : Share of Loss Transferred to Minority Interest			5,39,21,241		5,08,73,469
IX. PROFIT/(LOSS) FOR THE YEAR (AFTER ADJUSTMENT FOR MINORITY INTEREST) (VII + VIII)			(69,20,69,516)		6,05,12,574
Significant Accounting Policies and Notes on Consolidated Financial Statements	1 to 27				
Earning Per Share of face value of ₹ 10/- each – Basic & Diluted (In ₹)			(35.44)		3.10

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants
FRN: 104047W

For and on behalf of the Board

Dilip M. Jani
Proprietor
Membership No. 17259
Place : Mumbai.
Date : 30th May, 2015.

Kavita Valecha Sharma
Company Secretary

Dinesh Valecha
Director
DIN: 00012945

Jagdish K. Valecha
Managing Director
DIN 00013070

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
A. Cash Flow from Operating Activities		
Profit Before Tax and Extraordinary Items	(81,34,33,858)	8,59,37,281
Add/(Deduct) Adjustment for :		
Depreciation	46,74,11,370	29,37,95,469
Financial Cost	81,27,16,363	76,22,23,604
Dividend on Investment	—	(43,45,120)
Rent from Property	(4,36,32,784)	(4,22,92,444)
Miscellaneous Income	(1,04,07,211)	(1,08,12,639)
Interest Earned	(7,10,03,766)	(7,82,95,233)
Loss/(Profit) on Sale of Fixed Assets	27,81,591	11,839
Operating Profit Before Working Capital Changes	34,44,31,705	1,00,62,22,757
Adjustment for :		
Trade and Other Receivables	(62,19,78,690)	(90,33,46,334)
Inventories and Projects in Progress	3,26,72,749	(11,14,69,265)
Trade and Other Payables	51,83,15,944	65,22,20,450
Cash Generated from Operations	27,34,41,708	64,36,27,608
Direct Taxes (Paid)	(1,20,13,471)	(11,22,26,006)
Prior year adjustments	(97,74,104)	(10,45,094)
Net Cash Flow from Operating Activities	25,16,54,132	53,03,56,508
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(68,10,40,664)	(1,89,35,71,511)
Proceeds from Sale of Fixed Assets	2,14,43,815	24,519
Changes in Capital WIP & Assets under Development	(5,48,47,275)	(62,79,743)
Proceeds from Sale of Investments	(4,07,55,200)	(4,90,000)
Dividend on Investment	—	43,45,120
Interest Earned	7,10,03,766	7,82,95,233
Rent and Miscellaneous Receipts	5,40,39,995	5,31,05,083
Net Cash from Investing Activities	(63,01,55,563)	(1,76,45,71,299)
C. Cash Flow from Financing Activities		
Proceeds from Share Application Money	—	(4,20,00,000)
Proceeds from Minority Interest	—	28,64,05,000
Proceeds from Long Term Borrowings	1,07,81,63,613	1,58,88,44,385
Proceeds from Unsecured Borrowings	(5,54,23,387)	6,40,10,387
Proceeds from Short Term Borrowings	9,28,60,165	10,87,31,278
Financial Cost	(81,27,16,363)	(76,22,23,604)
Dividend Paid	(1,46,47,519)	(1,95,30,025)
Dividend Tax Paid	—	(31,68,258)
Net Cash Used in Financing Activities	28,82,36,509	1,22,10,69,163
Net Increase/(Decrease) in Cash and Cash Equivalents	(9,02,64,921)	(1,31,45,628)
Opening Balance of Cash and Cash Equivalents	88,81,96,803	90,13,42,431
Closing Balance of Cash and Cash Equivalents	79,79,31,882	88,81,96,803

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants
FRN: 104047W

For and on behalf of the Board

Dilip M. Jani
Proprietor
Membership No. 17259
Place : Mumbai.
Date : 30th May, 2015.

Kavita Valecha Sharma
Company Secretary

Dinesh Valecha
Director
DIN: 00012945

Jagdish K. Valecha
Managing Director
DIN 00013070

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. Basis of accounting and preparation of financial statements

- 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.
- The list of subsidiaries included in the consolidated financial statement are as under:

Sr. No.	Name of the subsidiary company	Country of Incorporation	As at 31.03.2015		As at 31.03.2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
1	Valecha Infrastructure Ltd.	India	100%	100%	100%	100%
2	Valecha International (FZE)	UAE	100%	100%	100%	100%
3	Professional Realtors Pvt. Ltd.	India	100%	100%	100%	100%
4	Valecha LM Toll Pvt. Ltd.	India	74%	74%	74%	74%
5	Valecha Badwani Sendhawa Toll Ways Ltd.	India	74%	74%	74%	74%
6	Valecha Kachchh Toll Roads Ltd.	India	58%	58%	51%	51%

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, 2015

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
1. SHARE CAPITAL				
Authorised				
3,50,00,000 Equity Shares of ₹ 10/- each		35,00,00,000		35,00,00,000
Issued Subscribed & Fully Paid				
1,95,30,025 Equity Shares of ₹ 10/- each fully paid-up.		19,53,00,250		19,53,00,250
		19,53,00,250		19,53,00,250

Note 1 (a) Reconciliation of number of equity shares and share capital :

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	Amount in ₹	No. of Shares held	Amount in ₹
Equity Shares :				
Shares outstanding at the beginning of the year	1,95,30,025	19,53,00,250	1,95,30,025	19,53,00,250
Add : Shares issued during the year	—	—	—	—
Shares outstanding at the end of the year	1,95,30,025	19,53,00,250	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 shareholder is entitled for one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Note 1 (c) Shareholder holding more than 5% of equity shares as at the end of the year:

Name of the Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Valecha Investment Pvt. Ltd.	71,54,749	36.64	78,25,000	40.07

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
2. RESERVES AND SURPLUS				
a. Securities Premium Account :				
Balance as per last Balance Sheet		91,35,96,609		91,35,96,609
b. Revaluation Reserve :				
Balance as per last Balance Sheet	66,54,860		73,48,866	
Less : Depreciation on revalued assets	5,27,065	61,27,795	6,94,006	66,54,860
c. General Reserve :				
Balance as per last Balance Sheet	43,89,80,873		39,89,80,873	
Add : Transfer from surplus in Statement of Profit & Loss	—	43,89,80,873	4,00,00,000	43,89,80,873
d. Surplus in Statement of Profit & Loss :				
Balance as per last Balance Sheet	1,38,40,92,297		1,38,17,61,682	
Add : Profit/(Loss) for the Year	(69,20,69,516)		6,05,12,574	
Less : Additional Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013 (Ref Note No. 10)	4,85,06,234		—	
Less : Prior Year Adjustments for Taxes & Others	97,74,104		10,45,094	
	63,37,42,443		1,44,12,29,162	
Less : Appropriations				
Transfer to General Reserves	—		4,00,00,000	
Proposed Dividend	—		1,46,47,519	
Tax on Dividend	—	63,37,42,443	24,89,346	1,38,40,92,297
		1,99,24,47,720		2,74,33,24,639

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
3. LONG TERM BORROWINGS		
a. Secured		
Term Loans :		
i. From Banks	7,32,23,68,919	6,09,13,15,178
ii. From Financial Institutions	18,93,00,536	76,28,47,104
b. Unsecured		
i. Fixed Deposits	14,83,43,000	34,59,64,387
ii. Compulsory Convertible Debentures	18,31,00,000	18,31,00,000
iii. Others	96,90,000	—
	7,85,28,02,455	7,38,32,26,669

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 ₹ Nil (March 2014 : ₹ 2.24 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 ₹ Nil (March 2014 : ₹ 3.39 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 2014 : ₹ 2.12 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.
(4) Auto Loan with the outstanding balance of ₹ Nil (March 2014 : ₹ 5.44 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.
(5) Term Loan with the outstanding balance of ₹ 325.53 lacs (March 2014 : ₹ 487.77 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.
(6) Term Loan with the outstanding balance of ₹ 16.19 lacs (March 2014 : ₹ 27.73 lacs) 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.
(7) Term Loan with the outstanding balance of ₹ 10.54 lacs (March 2014 : ₹ 15.71 lacs) 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.
(8) Term Loan with the outstanding balance of ₹ 7.12 lacs (March 2014 : ₹ 12.03 lacs) 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.
(9) Term Loan with the outstanding balance of ₹ 14.72 lacs (March 2014 : ₹ 21.99 lacs) 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.
(10) Term Loan with the outstanding balance of ₹ 1,438.57 lacs (March 2014 : ₹ 1,548.39 lacs) 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
Nature of Security and Terms of Repayment for Long Term Secured Borrowings

Nature of Security	Terms of Repayment
(11) Term Loan with the outstanding balance of ₹ 2,080.08 lacs (March 2014 : ₹ 2,294.11 lacs) 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.
(12) Term Loan with the outstanding balance of ₹ 2,151.34 lacs (March 2014 : ₹ 2,314.65 lacs) 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.
(13) Term Loan with the outstanding balance of ₹ Nil (March 2014 : ₹ 3,000.00 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.
(14) Term Loan with the outstanding balance of ₹ 3,663.49 lacs (March 2014 : ₹ 5,037.57 lacs) is secured by first & exclusive charge on the project receivables of 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.
(15) Corporate Loan with the outstanding balance of ₹ 1,558.60 lacs (March 2014 : ₹ 1,921.43 lacs) 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.
(16) Term Loan with the outstanding balance of ₹ 6,216.37 lacs (March 2014 : ₹ 3,036.89 lacs) is secured by first & exclusive charge on the project receivables of EPC from Rapti Nahar Nirman Mandal-II Irrigation Dept., 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.
(17) Term Loan with the outstanding balance of ₹ 211.58 lacs (March 2014 : ₹ 252.50 lacs) is secured by exclusive charge on the property purchased.	Repayable in 60 monthly installments with the last installment due in March 2019. Rate of Interest at 10.50% p.a.
(18) Term Loan with the outstanding balance of ₹ 5,000.00 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific immovable property & JSL & VIL Shares.	Repayable in 18 quarterly installments with the last installment due in Sept. 2020. Rate of Interest at 12.15% p.a.
(19) Term Loan with the outstanding balance of ₹ 6.36 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific machine.	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a.
(20) Term Loan with the outstanding balance of ₹ 50.47 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific vehicles.	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a.
(21) Term Loan with the outstanding balance of ₹ 37.20 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific Machineries.	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a.
(22) Term Loan with the outstanding balance of ₹ 15.83 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific Machineries.	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

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

Nature of Security	Terms of Repayment
(23) Term loan with the outstanding balance of ₹ 85.41 lacs (March 2014 : ₹ Nil) is secured by first & exclusive charge on the specific vehicles.	Repayable in 46 monthly installments with the last installment due in July 2018. Rate of Interest at 10.50% p.a.
(24) Term Loan in Valecha Infrastructure Limited with the outstanding balance of ₹ Nil (March 2014 : ₹ 725.00 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.
(25) Term Loan in Valecha Infrastructure Limited with the outstanding balance of ₹ 5,000 lacs (March 2014: ₹ Nil lacs) is secured by pledge of shares & Immovable Property.	Repayable in 18 quarterly installments with the last installment due in Sept. 2020. Rate of Interest at 12.15% p.a.
(26) Term Loan by way of Project Finance in Valecha LM Toll Pvt Limited with the outstanding balance of ₹ 21,100.00 lacs (March 2014: ₹ 21,100.00 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.
(27) Term Loan by way of Project Finance in Valecha Badwani Sendhwa Tollways Limited with the outstanding balance of ₹ 6,374.61 lacs (March 2014: ₹ 6,705.00 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.
(28) Term Loan by way of Project Finance in Valecha Kachchh Toll Roads Limited with the outstanding balance of ₹ 30,250.00 lacs (March 2014: ₹ 25,945.00 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, 2016. Rate of Interest at 11.95% p.a.

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
4. DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Balance as per Last Balance Sheet	31,12,59,064	31,24,60,888
Deferred tax Charged during the Year:		
a. Difference between book depreciation and tax depreciation during the year	(6,79,50,832)	(12,01,824)
b. For provision for doubtful debts	1,69,95,000	—
c. For deferred tax credit impact of schedule II of the company's Act	(1,64,87,269)	—
Deferred tax Charged during the Year:	(6,74,43,101)	(12,01,824)
Deferred Tax Liabilities/(Assets)	24,38,15,963	31,12,59,064
5. OTHER LONG TERM LIABILITIES		
a. Advance from Contractees	32,96,00,283	45,68,33,924
b. Non Current Liabilities – Trade	72,06,08,015	69,93,13,581
c. Non Current Liabilities – Others	85,71,09,002	78,26,93,936
	1,90,73,17,300	1,93,88,41,441

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
6. SHORT TERM BORROWINGS		
From Banks:		
a. Working Capital Loans – Cash Credit Limits	75,78,91,166	63,71,04,427
b. Short Term Facilities	14,75,56,631	22,97,17,142
From Others:		
a. Other Short Term Loans	5,42,33,937	—
	95,96,81,734	86,68,21,569
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. Short Term Facilities from Banks are either unsecured and/or against the securities offered under the working capital loans.		
iii. Other Short Term loans are unsecured.		
	As at 31.03.2015	As at 31.03.2014
7. TRADE PAYABLES		
Micro, Small and Medium Enterprises	1,86,20,000	—
Others	1,58,40,36,550	1,27,25,78,675
	1,60,26,56,550	1,27,25,78,675
7.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:		
<u>Particulars</u>		
Principal amount due and remaining unpaid	1,86,20,000	—
Interest due on above and the unpaid interest	—	—
Interest paid	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	—	—
Interest accrued and remaining unpaid	—	—
Amount of further interest remaining due and payable in succeeding years	—	—
	1,86,20,000	—
8. OTHER CURRENT LIABILITIES		
(a) Current Maturities of Long Term Debts	1,01,23,90,034	59,17,33,594
(b) Current Maturities of Advances from Contractees	25,89,59,200	11,31,77,505
(c) Current Maturities of Fixed Deposits	25,74,38,000	12,49,30,000
(d) Unclaimed Dividends *	13,74,183	14,76,072
(e) Statutory Remittances	18,07,00,269	8,29,64,950
(f) Secured Advance from Contractees	22,72,59,536	14,15,45,378
(g) Others	36,47,14,652	47,15,92,378
	2,30,28,35,874	1,52,74,19,877
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.		
9. SHORT TERM PROVISIONS		
(a) Proposed Dividend	—	1,46,47,519
(b) Tax on Dividend	—	24,89,346
	—	1,71,36,865

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				Amount charged to Retained Earnings	NET BLOCK	
	As at 01.04.2014	Addition	Deduction	As at 31.03.2015	Upto 31.03.2014	For the Year	Adjustment	As at 31.03.2015		As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Land – Freehold	4,09,54,039	—	—	4,09,54,039	—	—	—	—	—	4,09,54,039	4,09,54,039
Buildings	3,64,64,803	—	—	3,64,64,803	1,07,41,654	6,33,938	—	1,13,75,592	—	2,50,89,211	2,57,23,149
Plant & Machinery	1,93,37,33,409	1,24,08,815	2,45,18,115	1,92,16,24,109	52,27,61,868	26,40,06,845	50,33,620	78,17,35,093	2,12,01,534	1,11,86,87,482	1,41,09,71,541
Furniture and Fixtures	6,80,78,365	9,45,145	28,490	6,89,95,020	3,29,17,417	80,59,051	11,490	4,09,64,978	1,79,38,278	1,00,91,764	3,51,60,948
Vehicles	15,62,82,981	1,49,59,752	1,15,06,063	15,97,36,670	9,99,26,914	1,28,95,092	67,82,152	10,60,39,854	93,66,422	4,43,30,394	5,63,56,067
Total	2,23,55,13,597	2,83,13,712	3,60,52,668	2,22,77,74,641	66,63,47,853	28,55,94,926	1,18,27,262	94,01,15,517	4,85,06,234	1,23,91,52,890	1,56,91,65,744
Previous Year	2,18,26,33,030	5,29,26,637	46,070	2,23,55,13,597	55,42,11,599	11,21,45,966	9,712	66,63,47,853	—	1,56,91,65,744	
Capital Work-in-Progress	14,62,03,361	5,48,47,275	—	20,10,50,636	—	—	—	—	—	20,10,50,636	14,62,03,361

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Addition	Deduction	As at 31.03.2015	Upto 31.03.2014	For the Year	Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Intangible Assets										
Concessionaire Right	3,69,31,70,351	—	—	3,69,31,70,351	38,51,65,171	18,23,43,509	—	56,75,08,680	3,12,56,61,671	3,30,80,05,180
Total	3,69,31,70,351	—	—	3,69,31,70,351	38,51,65,171	18,23,43,509	—	56,75,08,680	3,12,56,61,671	3,30,80,05,180
Intangible Assets under Development	3,25,74,12,618	65,27,26,952	—	3,91,01,39,570	—	—	—	—	3,91,01,39,570	3,25,74,12,618
Total	3,25,74,12,618	65,27,26,952	—	3,91,01,39,570	—	—	—	—	3,91,01,39,570	3,25,74,12,618

Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April 2014, the useful life of fixed assets have been revised as prescribed therein. As a result, an amount of ₹ 485.06 lacs representing assets whose useful life has already exhausted as on 1st April 2014 has been adjusted against retained earnings. In respect of remaining assets additional depreciation amounting to ₹ 1,703.18 lacs has been charged for the Year ended 31.03.2015

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015
11. NON CURRENT INVESTMENTS

PARTICULARS	As at 31.03.2015		As at 31.03.2014	
	Qty. Nos.	Book Value ₹	Qty. Nos.	Book Value ₹
LONG TERM INVESTMENTS (AT COST)				
TRADE INVESTMENTS				
A. EQUITY SHARES : QUOTED & FULLY PAID				
Jyoti Structures Ltd. (Face Value ₹ 2/- Per Share)	54,31,400	83,26,26,242	54,31,400	83,26,26,242
Total		83,26,26,242		83,26,26,242
B. EQUITY SHARES : UNQUOTED & FULLY PAID				
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	4,900	49,000
Aryavrat Tollways Pvt. Ltd. – Non-Voting Shares (Face Value ₹ 10/- each)	44,100	4,41,000	44,100	4,41,000
Professional Realtors Pvt. Ltd. (Equity Share Face Value ₹ 10/- each)	10,000	1,79,45,000	10,000	1,79,45,000
Total		28,81,95,200		28,81,95,200
C. INVESTMENT IN BUILDINGS		8,57,28,641		4,49,73,441
Abstract :				
A. Equity Shares : Quoted & Fully Paid		83,26,26,242		83,26,26,242
B. Equity Shares : Unquoted & Fully Paid		28,81,95,200		28,81,95,200
C. Investment in Buildings		8,57,28,641		4,49,73,441
Grand Total		1,20,65,50,083		1,16,57,94,883
Market Value of Quoted Investments in Shares		13,95,86,980		17,48,91,080

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
12. LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)				
Security Deposit		2,32,81,323		1,62,00,372
		2,32,81,323		1,62,00,372
13. INVENTORIES				
Stock of Materials		51,24,88,349		58,18,94,716
		51,24,88,349		58,18,94,716
14. TRADE RECEIVABLES				
a. Trade receivables outstanding for a period exceeding six months.				
Unsecured and considered good		69,00,99,400		56,99,21,076
Unsecured, considered doubtful		5,00,00,000		—
Less : Provision for Doubtful Debts		(5,00,00,000)		—
		69,00,99,400		56,99,21,076
b. Trade receivables outstanding for a period less than six months.				
Unsecured and considered good		1,96,48,56,768		1,84,52,82,929
		2,65,49,56,168		2,41,52,04,005
15. CASH AND CASH EQUIVALENTS				
(a) Cash on Hand		79,12,447		74,41,100
(b) Bank Balances				
(i) Current Accounts		25,38,87,869		26,50,82,777
(ii) Unclaimed Dividend Accounts		14,26,664		14,76,072
(iii) Escrow Accounts		53,88,804		1,19,14,453
(iv) In Deposit Accounts (Lien against Bank Guarantees, Letter of Credits and EMD's)		52,93,16,098		60,22,82,401
		79,79,31,882		88,81,96,803
16. SHORT TERM LOANS & ADVANCES (Unsecured and Considered Good)				
(a) Loans and Advances to Related Parties		13,97,29,046		19,13,45,700
(b) Loans and Advances to Employees		1,17,67,521		94,78,350
(c) Duties & Taxes Recoverable		31,47,75,468		28,67,92,479
(d) Advances Recoverable in Cash or in kind		2,12,97,59,210		1,73,28,07,220
(e) Deposits with Contractees & Others		65,29,14,930		65,33,76,846
(f) Advance Income Tax Paid	24,86,84,001		46,07,48,530	
Less : Provisions for Income Tax	7,75,00,000	17,11,84,001	30,15,78,000	15,91,70,530
		3,42,01,30,176		3,03,29,71,125
17. OTHER CURRENT ASSETS				
Projects in Progress and Others		11,84,24,491		8,16,90,873
		11,84,24,491		8,16,90,873

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	Year ended 31.03.2015		Year ended 31.03.2014	
18. REVENUE FROM OPERATIONS				
Revenue from Operation		6,49,94,24,068		6,70,27,06,395
Revenue from Toll Collection & Annuity		34,10,81,395		36,20,27,305
		6,84,05,05,463		7,06,47,33,700
19. OTHER INCOME				
(a) Interest Income		7,10,03,766		7,82,95,233
(b) Lease Rental Income		4,36,32,784		4,22,92,444
(c) Dividend: From Long Term Investments		—		43,45,120
(d) Miscellaneous Income		1,04,07,211		1,08,12,639
(e) Foreign Exchange Fluctuation Gain		78,02,641		1,80,13,570
		13,28,46,402		15,37,59,006
20. CONSTRUCTION EXPENSES				
(a) Materials Purchase		2,06,71,68,222		1,77,33,87,947
(b) Sub-Contracting and Transportation Expenses		2,87,86,97,875		2,65,31,97,610
(c) Power and Fuel		12,34,94,432		22,54,73,289
(d) Value Added Tax, Service Tax & Labour Cess		14,32,61,436		10,82,11,562
(e) Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		31,09,79,678		40,87,56,502
(f) Insurance		1,24,80,930		1,92,61,424
(g) Site Expenses		44,69,72,070		46,24,41,807
		5,98,30,54,643		5,65,07,30,141
(h) Changes in Inventories				
Opening Stock	58,18,94,716		52,78,66,125	
Less : Closing Stock	51,24,88,349	6,94,06,367	58,18,94,716	(5,40,28,591)
		6,05,24,61,010		5,59,67,01,550

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	Year ended 31.03.2015	Year ended 31.03.2014
21. EMPLOYEE BENEFIT EXPENSES		
(a) Salaries, Wages and Bonus	27,94,48,445	35,77,48,679
(b) Contribution to Provident Fund, Gratuity and other funds	1,39,40,024	1,79,92,731
(c) Welfare Expenses	14,16,946	15,55,725
	29,48,05,415	37,72,97,135

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 recognized 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 recognized by the Company's financial statements as at 31st March, 2015.

Particulars	Amount (₹)
Changes in Present value of Obligations	
Present value of Obligations as at beginning of year	1,69,87,053
Interest Cost	13,58,964
Current Service Cost	16,46,329
Benefits paid	(45,84,694)
Actuarial (Gain)/Loss on Obligations	(25,03,334)
Present value of obligations as at end of year	1,79,10,986
Changes in the fair value of plan assets	
Fair value of plan assets at beginning of year	1,56,99,118
Expected return on plan assets	12,60,343
Contributions	3,53,741
Benefits paid	(45,84,694)
Actuarial (Gain)/Loss on Plan assets	—
Fair value of plan assets at the end of year	1,27,28,508
The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss	
Present value of obligations as at the end of year	1,79,10,986
Fair value of plan assets as at the end of the year	1,27,28,508
Funded status	(51,82,478)
Liability/(Assets) recognized in Balance Sheet	51,82,478
Expenses Recognized in Statement of Profit & Loss	
Current Service Cost	16,46,329
Interest Cost	13,58,964
Expected return on plan assets	(12,60,343)
Net Actuarial (Gain)/Loss recognized in the year	(25,03,334)
Expenses recognized in Statement of Profit & Loss	42,48,284

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	Year ended 31.03.2015	Year ended 31.03.2014
22. FINANCIAL COST		
Interest Expenses		
(a) Banks	60,58,10,641	52,92,47,252
(b) Financial Institutions	6,47,34,100	13,03,49,918
(c) Others	14,21,71,622	10,26,26,434
	81,27,16,363	76,22,23,604
23. DEPRECIATION & AMORTISATION EXPENSE		
Depreciation & Amortisation	46,79,38,435	29,44,89,475
Less : Depreciation on Revalued assets charged to Revaluation Reserves	5,27,065	6,94,006
	46,74,11,370	29,37,95,469
24. OTHER EXPENSES		
(a) Rates and Taxes	71,60,875	39,92,500
(b) Printing and Stationery	8,02,319	11,55,917
(c) Telephone and Postage	18,18,662	23,30,713
(d) Advertisement	1,06,139	1,75,047
(e) Traveling and Conveyance	26,22,756	10,01,886
(f) Business Promotion	6,81,921	7,91,667
(g) Electricity Charges	17,92,649	17,46,316
(h) Professional Fees	3,66,71,810	2,76,77,911
(i) Office Maintenance	89,42,847	97,34,676
(j) Tender Expenses	17,47,523	46,08,122
(k) Bank Charges	1,64,41,054	1,61,51,412
(l) Directors Remuneration	1,62,56,083	1,70,18,908
(m) Commission to Non-Executive Directors	3,00,000	17,50,000
(n) Payments to Auditor	19,50,004	16,93,262
(o) General Expenses	93,15,332	1,26,97,491
(p) Loss on Sale of Assets	27,81,591	11,839
(q) Provision for Doubtful Debts	5,00,00,000	—
	15,93,91,565	10,25,37,667
24.1 PAYMENT TO AUDITOR		
Audit Fees	15,40,000	13,80,000
Certification and Other Services including Service Tax	4,10,004	3,13,262
	19,50,004	16,93,262

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	Year ended 31.03.2015	Year ended 31.03.2014
25. EARNING PER SHARE		
1. Net Profit after Tax (With Extraordinary Income)	(69,20,69,516)	6,05,12,574
Less : Extraordinary Income	—	—
2. Net Profit after Tax & Extraordinary Income	(69,20,69,516)	6,05,12,574
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	(35.44)	3.10

26 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
(A) Particulars of Associate Companies		
1. Valecha Reality Ltd.	Associate Company	49.90%
2. Bhubaneswar Express Ways Pvt. Ltd.	Associate Company	40%
3. Aryavrat Projects & Developers Pvt. Ltd.	Associate Company (voting shares 4.98%)	49%
4. Gopaldas Vasudev Construction Pvt. Ltd.	Associate Company	Nil
5. Valecha Investment Pvt. Ltd.	Associate Company	Nil
6. Valecha Power Ltd.	Associate Company	Nil
7. Valecha Gulf Contracting & Foundations L.L.C.	Associate Company	Nil
(B) Particulars of Joint Ventures		
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. KSSIPL - VEL (JV)	Joint Venture Member	
6. Valecha - VKJ (JV)	Joint Venture Member	
7. Valecha - Shivalaya - Intradel (JV)	Joint Venture Member	
(C) Key Management Personnel		
1. Arvind Thakkar	Chairman	
2. Jagdish K. Valecha	Managing Director	
3. Umesh H. Valecha	Whole Time Director	
4. Dinesh H. Valecha	Whole Time Director	
(D) Others		
1. Kavita Valecha Sharma	Company Secretary	
2. Karan Jagdish Valecha	Sr. Executive	
3. Kapil Jagdish Valecha	Sr. Engineer	

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	2014-15	2013-14
(E) Transactions with Associate Companies		
1. Equity Contribution	26,95,01,500	26,95,01,500
2. Deposit/Loans/Repayment received during the year	11,72,02,000	13,57,99,990
3. Deposit/Loans given/Repaid during the year	6,55,85,346	15,48,60,016
4. Interest Received	1,16,47,503	1,26,68,150
5. Outstanding Balance – Amount Receivables	13,97,29,046	19,13,45,700
(F) Transactions with Joint Ventures		
1. Sales	30,98,14,527	56,67,96,306
2. Outstanding Balance – Amount Receivables	24,86,20,008	25,92,04,796
(G) Transactions with Key Management Personnel		
1. Remuneration paid during the year	1,62,56,083	1,70,18,908
2. Sitting Fees	10,000	35,000
3. Commission	3,00,000	17,50,000
(H) Transactions with Other Persons		
1. Remuneration paid during the year	63,54,394	42,68,832

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 the Consolidation.

27. 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
FRN: 104047W

For and on behalf of the Board

Dilip M. Jani
Proprietor
Membership No. 17259
Place : Mumbai.
Date : 30th May, 2015.

Kavita Valecha Sharma
Company Secretary

Dinesh Valecha
Director
DIN: 00012945

Jagdish K. Valecha
Managing Director
DIN 00013070



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