

VALECHA ENGINEERING LIMITED
(AN ISO 9001 - 2008 COMPANY)



Ref: VEL/088

03rd October, 2017

BSE LIMITED P. J. Towers, Dalal Street, Mumbai - 400 001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
SCRIP CODE 532389	VALECHAENG

Dear Sirs,

Sub: Annual Report 2016-17

With reference to the above subject matter, we enclose herewith the Annual Report for the Financial Year 2016-17

Kindly take the same on your records.

Thanking you,

Yours faithfully
For VALECHA ENGINEERING LIMITED

(VIJAYKUMAR MODI)
Company Secretary & Legal



VALECHA ENGINEERING LIMITED

**40TH ANNUAL REPORT
2016-17**

VALECHA ENGINEERING LIMITED

CIN: L74210MH1977PLC019535

Board of Directors

Arvind Thakkar	—	Chairman
J. K. Valecha	—	Vice-Chairman-cum-Managing Director
D. H. Valecha	—	Whole-time Director
U. H. Valecha	—	Whole-time Director up to 10.08.2016
Tarun Dutta	—	Whole-time Director w.e.f 26.06.2017
Kailas P. Chandore	—	Director up to 22.03.2017
Ashmi D. Sheth	—	Director up to 22.03.2017
Ketan H Gandhi	—	Director w.e.f 22.03.2017
Sonal V Jltiya	—	Director w.e.f 22.03.2017

Company Secretary & Legal: Vijaykumar H. Modi

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

Bankers: State Bank of India, Canara Bank, Axis Bank Ltd. and Lakshmi Vilas Bank Ltd. Syndicate Bank, Central Bank of India, Yes Bank, State Bank of Bikaner & Jaipur and ICICI Bank

Solicitors: M/s. Bharucha & Partners

Registrars and Transfer Agents : TSR Darashaw Limited - CIN: U67120MH1985PLC037369

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

Registered Office : “Valecha Chambers”, 4th Floor, Andheri New Link Road, Andheri (West), Mumbai-400 053.
Tel. : 022-2673 3625 to 29; Fax : 022-2673 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 **Fortieth** Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on **Friday, 29th September, 2017 at 10:30 a.m.** at **Babasaheb Dahanukar Sabhagriha**, Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Financial Statement of the Company for the financial year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon; and
 - b. The Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2017.
2. To appoint Auditors and in this connection to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Kanu Doshi Associates LLP, Chartered Accountants, (Registration No. **101248W/ W-100022**) with the [Institute of Chartered Accountants of India], are hereby appointed as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013, in the place of **M/s. D. M. Jani & Co, Chartered Accountants (Firm Registration Number: 104047W)** whose tenure expires at the conclusion of the ensuing 40th Annual General Meeting.

RESOLVED FURTHER THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013, **M/s. Kanu Doshi Associates LLP**, Chartered Accountants, will hold office as the Statutory Auditors of the Company, for a term of 5 consecutive years, till the conclusion of the Annual General Meeting of the Company for the financial year 2021-22, subject to ratification at every Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company, in addition to Goods and Service Tax as applicable, reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid."

SPECIAL BUSINESS:

To consider and if, thought fit, to pass, the following resolution:

3. As a **Special Resolution**:

CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. JAGDISH K VALECHA

"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), 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. Jagdish K. Valecha as Vice Chairman cum Managing Director of the Company for a period of 3(three) years w.e.f. 11.06.2017 to 10.06.2020** upon terms and conditions as set out in the agreement entered into between the Company and Mr. Jagdish K Valecha and 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 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, 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 between them.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid."

4. As a **Special Resolution**:

CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. DINESH H. VALECHA

"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), 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 1(One) year w.e.f. 01.08.2017 to 31.07.2018** upon terms and conditions as set out in the agreement entered into between the Company and Mr. Dinesh H Valecha and 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 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 between them.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid."

5. As an **Ordinary** Resolution:

CONSIDER THE REGULARIZATION OF APPOINTMENT OF MR. TARUN DUTTA

“RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013 and and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, **Mr. Tarun Dutta** who was appointed as Additional Director w.e.f. 26th June, 2017 who shall hold office up to the date of the ensuing Annual General Meeting of the Company be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid.”

6. As a **Special** Resolution:

CONSIDER THE APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. TARUN DUTTA

“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), 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. Tarun Dutta as Whole Time Director, for a period of 1(One) year w.e.f. 26.06.2017 to 25.06.2018** upon terms and conditions as set out in the agreement entered into between the Company and **Mr. Tarun Dutta** and 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 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. Tarun Dutta, 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 between them.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid.”

7. As an **Ordinary** Resolution:

CONSIDER THE APPOINTMENT OF MR. KETAN H. GANDHI AS AN INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 (the Act) **Mr. Ketan H. Gandhi (DIN 00650579)** who was appointed as an Additional Director w.e.f. **22nd March, 2017** pursuant to Section 161 (1) of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company and shall hold office for a term of 5 years w.e.f. 29.09.2017.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid.”

8. As an **Ordinary** Resolution:

CONSIDER THE APPOINTMENT OF MRS. SONAL V. JITIYA AS NON-EXECUTIVE DIRECTOR

“RESOLVED THAT Mrs. Sonal V Jitiya (DIN:00668047) who has been appointed as an Additional Director of the Company by the Board of Directors with effect from **22nd March, 2017** in terms of Section 149, 152 and 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as Non-Executive Director of the Company, who is liable to retire by rotation at the Annual General Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid.”

9. As an **Ordinary** Resolution:

CONSIDER THE RATIFICATION OF PAYMENT OF REMUNERATION TO THE COST AUDITOR

“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 Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) p.a. plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses, be paid to **M/s Darshan Vora & Co. (Membership No.36481)**, Cost Auditors of the Company, for the Financial Year **2017-18**, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid.”

10. As an **Ordinary** Resolution:

CHARGE A FEE FROM MEMBERS OF THE COMPANY FOR SERVICE OF DOCUMENTS IN A PARTICULAR MODE

“**RESOLVED THAT** pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of ` 50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to them in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”

For and on behalf of the Board
FOR VALECHA ENGINEERING LIMITED

VIJAYKUMAR MODI
COMPANY SECRETARY & LEGAL

Place: Mumbai

Date: 16th August, 2017

Registered Office:

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

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 **Friday, 22nd September, 2017 to Friday, 29th September, 2017** (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 up to the date of Annual General Meeting.

(D) Pursuant to the provisions of Sections 123 and 125 of the Companies Act, 2013, the amounts of dividends remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Sr. No.	Dividend Year	Date of Declaration	Due date for transfer
1	2009-10	30-Jul-10	04-Sep-17
2	2010-11	29-Jul-11	03-Sep-18
3	2011-12	17-Sep-12	23-Oct-19
4	2012-13	26-Sep-13	01-Nov-20
5	2013-14	29-Sep-14	04-Nov-21

Members who have not yet encashed their dividend for the financial year ended **31st March, 2010 to 31st March, 2014** are requested to approach 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. Members are requested to notify change in address, if any, immediately to the R & T Agents of the Company.

(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 **22nd September, 2017** 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 Annual General Meeting along with Annual Report for the year ended **31st March, 2017** 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 is 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, 2017** 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 resolutions proposed at Annual General Meeting.
- (K) M/s. Ragini Chokshi & Co., Practicing Company Secretary (Membership No.2390), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (L) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
- (M) The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their voting again.
- (N) Members can opt for only one mode of voting i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
- (O) In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to investor.relations@valecha.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, M/s. Ragini Chokshi & Co., Practicing Company Secretary (Membership No.2390) at registered office of the Company not later than **Thursday, 28th September, 2017** (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

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. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password
- (b) Launch internet browser by typing the URL: <https://www.evoting.nsd.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 authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested, to the Scrutinizer through e-mail at: mail@csraginichokshi.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 Tuesday, 26th September, 2017** and ends at **5:00 p.m. on Thursday, 28th September, 2017**. Remote e-voting shall be disabled by NSDL at **5:00 p.m. on 28th September, 2017**. During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date **Friday, 22nd September, 2017** may request for login ID and password and cast their vote electronically.

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- 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. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- G. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **Friday, 22nd September, 2017**.
- H. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Friday, 22nd September, 2017**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

I. General Information

- (a) Every Client ID No./Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on **Friday, 22nd September, 2017** the cut-off date.
- (c) E-voting right cannot be exercised by a proxy.
- (d) M/s. Ragini Chokshi & Co., Practicing Company Secretary (Membership no.2390) 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 at least 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 along with 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 40th AGM of the Company to be held on **29TH SEPTEMBER, 2017** and also communicated to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

**For and on Behalf of the Board
FOR VALECHA ENGINEERING LIMITED**

**VIJAYKUMAR MODI
COMPANY SECRETARY& LEGAL**

Place : Mumbai

Date : 16th August, 2017

ANNEXURE TO NOTICE

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

Item No. 2

M/s D.M.Jani Chartered Accountants, Mumbai, (ICAI) (Registration No.104047W) have been the Auditors of the Company for more than 10 years.

As per the provisions of Section 139 of the Act, **no listed Company** can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years and an individual as auditor for more than one term of 5 consecutive years.

Section 139 of the Act has also provided a period of **three (3)** years from the date of commencement of the Act to comply with this requirement. In view of the above, M/s D.M Jani, Chartered Accountants can continue as an Auditor of the Company only up to the conclusion of the this coming Annual General Meeting.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 16th August, 2017, proposed the appointment of M/s. Kanu Doshi Associates LLP, Chartered Accountants, Mumbai, (ICAI Registration No. 104746W/W100096), as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the AGM of the company to be held for the Financial Year 2021-22 (subject to ratification of their appointment at every AGM, if so required under the Act).

M/s. Kanu Doshi Associates LLP, Chartered Accountants, Mumbai, (ICAI Registration No 104746W/W100096), have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No. 2 of the Notice.

Item No. 3

As per the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196,197 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the consent of the members of the Company and the Central Government, Mr. Jagdish K. Valecha was re-appointed as Vice Chairman cum Managing Director of the Company for a period of 3 (three) years with effect from 11.06.2017 to 10.06.2020 and payment of remuneration and perquisites and terms and conditions as set out in the Agreement entered into between the Company and Mr. Jagdish K. Valecha, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or Agreement, as may be agreed to between the Board and Mr. Jagdish K. Valecha, a draft of which was laid before the meeting and for the purpose of identification subscribed by the Chairman hereof.

REMUNERATION: MR. JAGDISH K. VALECHA shall be entitled to Remuneration as stated below.

Particulars	11.06.2017 to 10.06.2018 (per month)	11.06.2018 to 10.06.2019 (per month)	11.06.2019 to 10.06.2020 (per month)
Salary	7,00,000	9,00,000	11,00,000
Perks and Incentive: House Rent Allowance together with utilities there for such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes, Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance. Personal Accident Insurance in accordance with the rules specified by the Company. Leave Travel concession for self and family once in a year in accordance with the rules of the Company. Fees of clubs/annual membership fees and/or admission/ entrance fees, car fuels and driver's salary.	2,00,000	2,00,000	2,00,000
Total	9,00,000	11,00,000	13,00,000

Mr. Jagdish K. Valecha as Vice Chairman cum Managing Director shall be eligible for the following perquisites which shall **NOT** be included in the computation of the ceiling on remuneration specified in as above:-

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961(43 of 1961);
- Gratuity payable at a rate not exceeding half a months' salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

The office of the Vice Chairman cum Managing Director will not be subject to retirement by rotation.

Disentitlements: The Vice Chairman cum Managing Director shall not be entitled for sitting fees for attending meetings of the Board of Directors or Committee thereof.

Termination: The Agreement may be terminated by giving 3(three) months' notice on either side.

Notwithstanding anything herein above stated, where in any financial year, during the currency of the tenure of **Mr. Jagdish K. Valecha**, as Vice Chairman cum Managing Director of the Company, if the Company has no profits or its profits are inadequate, the aforesaid remuneration payable to

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Mr. Jagdish K. Valecha shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force.

Item No. 4

As per the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the consent of the members of the Company and the Central Government, Mr. Dinesh H. Valecha was re-appointed as the Whole Time Director of the Company for a period of 1 (one) year, with effect from 1st August, 2017 to 31st July, 2018 and payment of remuneration and perquisites and terms and conditions as set out in the Agreement entered into between the Company and Mr. Dinesh H. Valecha, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or Agreement, as may be agreed to between the Board and Mr. Dinesh H. Valecha, a draft of which was laid before the meeting and for the purpose of identification subscribed by the Chairman hereof.

REMUNERATION: MR. DINESH H. VALECHA shall be entitled to Remuneration as stated below.

Particulars	01.08.2017 to 31.07.2018 (per month)
Salary	5,00,000
Perks and Incentive: House Rent Allowance together with utilities there for such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes, Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance. Personal Accident Insurance in accordance with the rules specified by the Company. Leave Travel concession for self and family once in a year in accordance with the rules of the Company. Fees of clubs/annual membership fees and/or admission/ entrance fees, car fuels and driver's salary.	83,333
Total	5,83,333

Mr. Dinesh H. Valecha as Whole Time Director shall be eligible for the following perquisites which shall **NOT** be included in the computation of the ceiling on remuneration specified in as above:-

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961(43 of 1961);
- Gratuity payable at a rate not exceeding half a months' salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

The office of the Whole Time Director will not be subject to retirement by rotation.

Disentitlements: The Whole Time Director shall not be entitled for sitting fees for attending meetings of the Board of Directors or Committee thereof.

Termination: The Agreement may be terminated by giving 3(three) months' notice on either side.

Notwithstanding anything herein above stated, where in any financial year, during the currency of the tenure of **Mr. Dinesh H. Valecha**, as Whole Time Director of the Company, if the Company has no profits or its profits are inadequate, the aforesaid remuneration payable to **Mr. Dinesh H. Valecha** shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force.

Item No. 5 & 6

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 26th June, 2017, appointed Mr. Tarun Dutta as an Additional Director of the Company w.e.f. 26th June, 2017.

Mr. Traun Dutta age 54 years hold degree of B.Sc. and B.E. (Civil) and has 27 years of experience in the construction industry and expertise in Project Management, Construction Management, Site Analysis, Resource Planning, Material Management, Vendor Development, Commercial Negotiation Quality Control, Technical and Cost Control.

The Board is of view that his qualification, knowledge and experience will be of immense benefit and value to the Company.

As per the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the consent of the members of the Company and the Central Government, Mr. Traun Dutta was also appointed as Whole Time Director of the Company for a period of 1 (one) year with effect from 26th June, 2017 to 25th June, 2018 and payment of remuneration and perquisites and terms and conditions as set out in the Agreement entered into between the Company and Mr. Traun Dutta, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or Agreement, as may be agreed to between the Board and Mr. Traun Dutta, a draft of which was laid before the meeting and for the purpose of identification subscribed by the Chairman hereof.

REMUNERATION: MR. TARUN DUTTA shall be entitled to Remuneration as stated below.

Particulars	26.06.2017 to 26.06.2018 (per month)
Salary	5,00,000
Perks and Incentive: Gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes, Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance. Personal Accident Insurance in accordance with the rules specified by the Company. Leave Travel concession for self and family once in a year in accordance with the rules of the Company. Fees of clubs/annual membership fees and/or admission/ entrance fees, car fuels and driver's salary.	83,333
Total	5,83,333

HRA will be paid separately

Mr. Tarun Dutta as Whole Time Director shall be eligible for the following perquisites which shall **NOT** be included in the computation of the ceiling on remuneration specified in as above:-

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961(43 of 1961);
- Gratuity payable at a rate not exceeding half a months' salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

The office of the Whole Time Director will not be subject to retirement by rotation.

Disentitlements: The Whole Time Director shall not be entitled for sitting fees for attending meetings of the Board of Directors or Committee thereof.

Termination: The Agreement may be terminated by giving 3(three) months' notice on either side.

Notwithstanding anything herein above stated, where in any financial year, during the currency of the tenure of **Mr. Tarun Dutta**, as Whole Time Director of the Company, if the Company has no profits or its profits are inadequate, the aforesaid remuneration payable to **Mr. Tarun Dutta** shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force.

Item No. 7

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Mr. Ketan H. Gandhi (DIN 00650579) as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Mr. Ketan H. Gandhi holds office till the date of this AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from Member signifying their intention to propose the appointment of Mr. Ketan H. Gandhi as a Director of the Company.

Mr. Ketan H. Gandhi is B.Com (Hons) LLB, FCA and very dynamic entrepreneur having wide & varied expert knowledge & experience of 40 years in Accounts, Audit Taxation, Finance & Banking.

The Company has also received a declaration from Mr. Ketan H. Gandhi confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Ketan H. Gandhi is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Ketan H. Gandhi fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

A copy of the draft letter of appointment for Independent Director, setting out the terms and conditions for appointment of Independent Director is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.valechaeng.com

Mr. Ketan H. Gandhi is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Ketan H. Gandhi are in any way, concerned or interested in the said resolution.

The resolution as set out in Item No. 7 of this Notice is accordingly commended for your approval.

Item No. 8

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Mrs. Sonal V. Jitiya (DIN: 00668047) as an Non- Executive Director of the Company, liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Mrs. Sonal V. Jitiya (DIN: 00668047) holds office till the date of the AGM and is eligible for being appointed as a Non-Executive Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from Member signifying their intention to propose the appointment of Mrs. Sonal V Jitiya as a Director of the Company.

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Mrs. Sonal V. Jitiya is B.A. (Hons.) and having 7 years' experience as Accounts and Administration manager with an US based IT Company in Pune and 10 years as an Entrepreneur

Mrs. Sonal V Jitiya is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

Mrs. Sonal V Jitiya is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mrs. Sonal V Jitiya are in any way, concerned or interested in the said resolution.

The resolution as set out in Item No. 8 of this Notice is accordingly commended for your approval.

Item No. 9

The Board of Directors of the Company, at its meeting held on 16th August, 2017 has considered and approved the appointment of M/s. Darshan Vora & Co. Cost Accountant (Membership No.36481) as the Cost Auditor of the Company for the Financial Years 2017-18 at a total remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per annum plus Goods and 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. 9** of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year 2017-18.

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.9.

Your Directors, therefore, recommend the said Resolution at Item No. 9.

Item No. 10

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to them by Post or by Registered post or by Speed post or by Courier or by delivering at their office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to them through a particular mode for which they shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting; the Directors accordingly commend the Ordinary Resolution at Item no. 10 of the accompanying notice, for the approval of the members of the Company. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.10 of the accompanying Notice.

For and on behalf of the Board
FOR VALECHA ENGINEERING LIMITED

VIJAYKUMAR MODI
COMPANY SECRETARY & LEGAL

Place: Mumbai

Date: 16th August, 2017

Registered Office:

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



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. 3,4 & 6

Names of Directors	Mr. Jagdish K Valecha	Mr. Dinesh H. Valecha	Mr. Tarun Dutta			
General Information Nature of Industry, Date of Commencement of Commercial Production	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 Lakhs					
	Financial Year	Gross Turnover	Profit (Loss) before Tax	Profit (Loss) After Tax	Dividend (%)	Dividend Amount
	31.03.2017	41092.86	(6894.55)	(6618.95)	Nil	Nil
	31.03.2016	70833.26	(18504.33)	(18128.02)	Nil	Nil
	31.03.2015	64994.24	(5921.77)	(5385.89)	Nil	Nil
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 32 years in execution of Civil Construction Works. Thus he is ideally suited for the job	Mr. Dinesh H Valecha holds a degree in B.E. (Electronics) D.B.M. and has experience of over 22 years in Civil Construction Works. Thus he is ideally suited for the job	Mr. Tarun Dutta holds a Degree in B.Sc. and B.E. (Civil) and has experience of over 27 years in Civil Construction Works. Thus he is ideally suited for the job			
Recognition or awards	Bharat Shiromani Award 2008-2009 for outstanding achievement in the field of infrastructure	Nil		Not applicable as this is his first appointment as the Whole-time Director.		
Past Remuneration	Year	Amount (₹ In Lakhs)	Year	Amount (₹ In lakhs)		
	2016-2017	67.20	2016-2017	47.04		
	2015-2016	49.77	2015-2016	37.44		
	2014-2015	76.64	2014-2015	42.77		
	2013-2014	76.49	2013-2014	47.70		
	2012-2013	81.75	2012-2013	47.81		
Remuneration proposed	As stated in the explanatory statement as required under section 102 of the Companies Act, 2013					
Comparative remuneration	In the past few years, the remuneration of Senior Executives in the industry in general has gone up manifold. The remuneration proposed to be paid to the Whole-time Director is purely based on merit. Further, the Nomination and Remuneration Committee constituted by the Board, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities before approving the remuneration as proposed hereinabove					
Pecuniary Relationship	Except the remuneration and perquisites as stated above, Mr. Dinesh H Valecha holds 2812 equity shares; Mr. Jagdish K Valecha and Mr. Tarun Dutta hold Nil equity shares in the Company.					
Reasons for loss or inadequate profits	Due to Economic slowdown and consequent adverse market conditions prevailing in 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 equipment's.					
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	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.					
Disclosures	The respective tenure of the aforesaid managerial personnel shall be governed on passing the resolution by the Shareholders in the Annual General Meetings with a notice period of three months by either side. Mr. Tarun Dutta is not holding securities of the Company of the nominal value of Rs. five lakhs or more. Further he was not related to any Director or Promoter of the Company at any time during the period of two years prior to his appointment as a Whole-time Director.					

DIRECTORS' REPORT

To The Members,

The Directors present their Fortieth Annual Report and the Audited Statement of Accounts for the year ended **31st March, 2017**.

(Rs. In Lakhs)

	Standalone		Consolidated	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Net Sales/Income from Operations	41,092.86	70,833.27	45,231.13	75,044.91
Other Income	2,484.35	1,219.10	2,493.06	1,290.33
Total Revenue	43,577.21	72,052.37	47,724.19	76,335.24
Less: Total Expenditure	42,078.96	82,348.15	42,987.01	83,122.96
Gross Profit Before Interest, Depreciation,				
Taxes and Extraordinary Income	1,498.25	(1,0295.78)	4,737.19	(6,787.72)
Less: Interest	6,929.64	6,220.39	16,633.47	12,088.61
Profit/(Loss) Before Depreciation, Tax and				
Extraordinary Income	(5431.38)	(16,516.17)	(11,896.29)	(18,876.33)
Less: Depreciation	1463.16	1,988.16	5021.68	5,346.48
Profit/(Loss) Before Extraordinary Income & Tax	(6,894.55)	(18,504.33)	(16,917.97)	(24,222.81)
Add: Exceptional Items	-	-	10,390.90	-
Profit/(Loss) Before Tax	(6,894.55)	(18,504.33)	(27,308.87)	(24,222.81)
Provision for Tax:				
Current Tax			-	0.87
Deferred Tax	(275.60)	(376.31)	(357.35)	(509.72)
Profit/(Loss) After Tax	(6,618.95)	(18,128.02)	(26,951.52)	(23,713.96)
Minority Interest	-	-	3541.84	426.49
Profit/(Loss) After Minority Interest	(6,618.95)	(18,128.02)	(23,409.68)	(23,287.47)
Add: Balance Brought Forward from Last Year	(6,616.89)	11,511.19	(16,950.11)	6,337.42
Prior Year adjustment for Taxes & Others	(74.77)	(0.06)	(74.77)	(0.06)
Transferred From Revaluation Reserve	56.01	-	56.01	-
Profit for Appropriation	(13,254.60)	(6,616.89)	(40,378.55)	(16,950.11)
Appropriations:				
Balance Carried to Balance Sheet	(13,254.60)	(6,616.89)	(40,378.55)	(16,950.11)

1. Share Capital:

The paid up Equity Share Capital as on 31st March, 2017 was Rs. 22.53 Crores.

2. Transfer Of Shares To Investor Education Protection Fund:

In accordance with the provisions of the Section 124(6) and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules), the Company is required to transfer 1,162 equity shares of ` 10 each held by 19 shareholders to IEPF. The said shares correspond to the dividend which has remained unclaimed for a period of seven consecutive years from the financial year 2008-09. Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) from IEPF in accordance with the prescribed procedure and on submission of such documents as prescribed under the IEPF Rules.

The Company has already sent a specific communication to the concerned shareholders at their address registered with the Company and also published notice in Financial Express and Mumbai Lakshadeep providing the details of the shares due for transfer and to enable shareholders to take appropriate action. The Company is awaiting further directions on the transfer formalities from the Ministry of Corporate Affairs in terms of the amendment to the IEPF Rules dated 28th February, 2017. In the meantime, the concerned shareholders can approach the Company or its Registrar & Transfer Agent with necessary documents supporting their claims.

3. Dividend:

In view of the loss incurred during the year under review, the Board regrets its inability to recommend any dividend for the year ended 31st March, 2017.

4. Reserves:

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

5. Operations/ State of affairs during the year:

During the current financial year, the Company has achieved the turnover of Rs 41,092.86 lakhs against Rs 70,833.27 Lakhs resulting into a

decrease by 41.99 %. The Company has incurred Loss after Tax of Rs 6,618.95 lakhs against the Loss after Tax of Rs 18,128.02 lakhs in the previous year.

Reply to Emphasis of Matters in Audit Report.

Reply to Emphasis of Matters in Audit Report.

Item No 9(i) of Audit Report

The accumulated losses for the year ended 31st March, 2017 have resulted in Company's erosion of more than 50 percent of its peak net worth during the immediately preceding four financial years. However, the management is of the opinion that subject to approval of Master Restructuring Agreement by banks, the Company will be able to return to profitability over the next few years and may be in position to repay Loans and pay statutory dues. Hence, the financial statements have been prepared assuming that the Company and its subsidiaries will continue as a going concern. No adjustments are hence made in the financial statements that might result from the outcome of this uncertainly.

Item No 9(ii) of the Audit Report

There is diminution in the value of investment in the subsidiaries, however, these investments are strategic in nature and the management does not expect material impact affecting the current year's financial statements on account of provisions for diminution in the value of investments and recoverability of loans and advances. Hence, no provision has been made in the financial statements.

Item No 9(iii) of Audit Report

The Management is in the process of arranging supporting documents of three project sites. Since the percentage of total assets and total revenue of such sites compared to total assets and total revenue of the Company is not material, in the opinion of the Management, there will not be material impact on current year's statement of profit and loss.

Item No 9(iv) of Audit Report

In the opinion of the management, there will not be material impact on the current year's statement of profit and loss on account of such reconciliation/adjustments. Hence, no provision is made in the financial statements.

6. Fixed Deposits:

As on the 31st March, 2017, fixed deposits stood at Rs. 3,468.26 lakhs as against Rs. 3,824.00 lakhs in the previous year

The Company had, w.e.f. 2014-15, stopped accepting/renewing fixed deposits.

Further the Company was unable to make payments to its fixed deposit holders as per schedule mentioned in the Company Law Board, New Delhi Bench, New Delhi order dated 22nd February, 2016 due to fund constraints

Details relating to deposits covered under The Companies (Acceptance of Deposits) Rules, 2014 for the Financial Year 2016- 17 are as follows:

- Deposit accepted/renewed during the year: **Nil**
- Deposit remained unpaid/unclaimed at the end of the year: Rs. 3,468.26 lakhs

7. 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.

8. Changes in the nature of business

There is no change in the nature of business

9. 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 orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

10. 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:

(Rs. in lakhs)

	2016 - 2017	2015 - 2016
Foreign Exchange Outgo	1.00	NIL
Foreign Exchange Earned	NIL	NIL

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

As on 31st March, 2017, the Company has the following 6 subsidiaries namely:-

Valecha Infrastructure Limited	Valecha LM Toll Private Limited
Valecha Kachchh Toll Roads Limited	Professional Realtors Private Limited
Valecha International FZE	Valecha Badwani Sendhwa Tollways Limited

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of Financial Statements of subsidiaries in Form AOC-1 forms part of the Financial Statement and hence not repeated here for the sake of brevity.

12. Consolidated Financial Statements

The audited Consolidated Financial Statements of the Company also form part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.valechaeng.com. The Company will make available the audited annual accounts and associated information of its subsidiaries, upon request by any of its shareholders.

13. 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

14. Auditors' and their Report:

- Statutory Auditor

As per the provisions of Section 139 of the Act, **no listed Company** can appoint or re-appoint an individual as auditor for more than one term of five consecutive years.

Section 139 of the Act has also provided a period of **three** years from the date of commencement of the Act to comply with this requirement. In view of the above, **M/s. D. M. Jani & Co, Chartered Accountants (Firm Registration Number: 104047W)**, who are Statutory Auditors of the Company can continue as an Auditor of the Company only up to the conclusion of this Annual General Meeting AGM.

The Board of Directors placed on record their sincere appreciation of the valuable services rendered by

M/s D. M. Jani & Co, Chartered Accountants, since many years as statutory auditors of the Company.

The Board of Directors have recommended the appointment of **M/s. Kanu Doshi Associates LLP**, Chartered Accountants, as the statutory auditors of the Company, for a term of five consecutive years, till the conclusion of the Annual General Meeting of the Company for the financial year 2021-22. The Company has received consent from **M/s. Kanu Doshi Associates LLP**, Chartered Accountants, to serve as statutory auditors of the Company, if they are so appointed.

They have also furnished necessary certificate required under the Companies Act, 2013 conveying their eligibility for appointment.

Report of Statutory Auditor:

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, 2017. Please see item no. 5 (supra)

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

- Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013, in terms of the Central Government's directives, the Board of Directors on the recommendation of the Audit Committee had appointed **M/s Darshan Vora & Co (M/36481)**, **Cost Accountant**, as the Cost Auditor of the Company for the year 2017-18.

M/s Darshan Vora & Co 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.

- Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed **M/s Ragini Chokshi & Co, Practicing Company Secretary (Membership no.2390)**, a firm of Company Secretaries in practice to undertake the Secretarial Audit for the financial year ended 31st March, 2017. Their Report is annexed as **Annexure –A** to this report.

15. Internal Financial Control

The existing internal financial controls are adequate and commensurate with the nature, size, complexity of the Business and the Business Processes followed by the Company. During the year, the Company has laid down the framework for ensuring adequate internal controls over financial reporting and such Internal Financial Controls have been reviewed to ensure its effectiveness that such controls are adequate and operating effectively.

16. **Directors:****- Appointment of Directors:**

The Board of Directors at its meeting held on 22nd March, 2017 have appointed Mr. Ketan Gandhi (DIN: 00650579) as Additional Director and Mrs. Sonal V. Jitiya (DIN: 00668047) as Additional Director (Woman Director) of the Company. The Board, therefore, recommends their appointment as a director of the Company. A brief resume of them and other relevant information have been furnished in the notice convening the AGM.

Appointment/Re-appointment of Key Managerial Personnels:

Date of Board Meeting	Name of Director	Appointment/ Re-appointment	Period
13.06.2017	Mr. Jagdish K. Valecha	Re-appointment	11.06.2017 to 10.06.2020
26.06.2017	Mr. Tarun Dutta	Appointment	26.06.2017 to 25.06.2018
07.08.2017	Mr. Dinesh Valecha	Re-appointment	01.08.2017 to 31.07.2018

Necessary resolutions for the aforesaid Directors for appointment/ re-appointment are being placed for approval of the members at the Annual General Meeting.

The brief particulars of the concerned Directors have been provided in the Notice of this Annual General Meeting, pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

- Resignation of Directors

During the year, Mr. Kailas Chandore (DIN: 07644193) and Mrs. Ashmi Sheth (DIN: 07644493) resigned from the Board of Directors and the same was accepted by the Board w.e.f. 22nd March, 2017

Your Directors placed on record their appreciations for contributions made during their tenure as Directors.

Declaration by Independent Directors:

Mr. Arvind Thakkar, Mr. Ketan Gandhi and Mrs. Sonal Jitiya are Independent Directors on the Board of the Company confirm that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

All Independent Directors have given declaration that they meet the criteria of independence as provided in section 149 (6) of the Act, and Regulation 16 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances, which has affected their status as Independent Director. The Non-Executive Directors of the company had no pecuniary relationship or transactions with the company.

In the opinion of the Board, they fulfill the conditions of independence as specified and are independent of the management.

17. **Board Evaluation**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Board. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board Members and its Committees with the Company.

18. **Meetings of the Board of Directors:**

The details of the number of meetings of the Board held during the Financial Year 2016-17 forms part of the Corporate Governance Report.

19. **Committees of the Board of Directors**

The Board of Directors have the following Committees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance section of this Report.

20. **Policies of the Board of Directors****I. Corporate Social Responsibility**

During the year under review, in view of the loss incurred, Section 135 (1) of the Companies Act, 2013 is not applicable.

II. Vigil Mechanism/Whistle Blower

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism/Whistle Blower Policy with a view to maintain high standards of transparency in Corporate Governance, deal with unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. No communication from any employee of the company under the Whistle Blower Policy was received during the year.

III. Remuneration Policy for Directors, Key Managerial Personnel and other employees

A. Executive Directors

- a) The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee.
- b) The remuneration to be paid to the Managing Director and Whole Time Directors shall be in accordance with the limits/conditions laid down in Schedule V of the Companies Act, 2013.
- c) The Remuneration to the key managerial personnel and other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

B. Non-Executive Directors

Non-Executive Directors of a Company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition they also play an appropriate control role

Sitting Fees

Non-Executive Directors will be entitled to sitting fees for attending meetings of the Board and Audit Committee The sitting fees presently paid to the Non -Executive Director is Rs. 5,000/- per meeting of the Board and Rs. 5,000/- per meeting of Audit Committee

IV. Policy on Related Party Transaction

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

In light of the above, VEL has framed a policy on related party transaction. This policy has been adopted by the Board of Directors of the Company based on recommendations of Audit Committee.

The policy on Related Party Transactions as approved by the Board is available for viewing on the Company's website

Particulars of Contracts or Arrangements with Related Parties:

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. Form AOC-2 as required under Section 134 (3)(h) is enclosed as **Annexure - B** to this report.

21. 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.

22. 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.

23. 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.

24. 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- C** which is annexed hereto and forms part of the Directors Report.

25. Corporate Governance:

The Company has complied with the Corporate Governance Code as stipulated under 27(2)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. A separate section on Corporate Governance along with certificate from Secretarial Auditors confirming the compliance is annexed and forms part of the Annual Report.

26. Risk Management:

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

27. Director's Responsibility Statement:

As required by Section 134(3)(c) of the Companies Act, 2013 your Directors state that:

- (a) In the preparation of the annual accounts for the year ended 31st March, 2016, 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 2016-17 and of the profit for the year ended 31st March, 2016.
- (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, 2017 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.

28. 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. The Board thanks all the Shareholders, Customers and various Authorities for their continued support during the year. 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 goal

For and on Behalf of the Board

FOR VALECHA ENGINEERING LIMITED

DINESH VALECHA
Director

JAGDISH VALECHA
Vice Chairman cum Managing Director

Place: Mumbai

Date: 16thAugust, 2017

ANNEXURE A
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE PERIOD 01-04-2016 TO 31-03-2017

To,
The Members
VALECHA ENGINEERING LIMITED
Valecha Chambers" 4th Floor, Plot No.B-6,
Andheri New Link Road,
Andheri (West) Mumbai Mh 400053.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VALECHA ENGINEERING LIMITED (CIN:L74210MH1977PLC019535) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period 1st April, 2016 to 31st March, 2017 ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period 1st April, 2016 to 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the Company did not issue any security during the financial year under review.
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014- Not applicable as the Company did not have any scheme for its employees during the financial year under review.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the Company has not issued any debt securities during the financial year under review.
 - f. The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted its Equity Shares from any stock exchange during the financial year under review.
 - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998- Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vi) We have relied on the representation made by the Company and its officer for systems and mechanisms formed by the Company for compliance of the other specific Law, rules, regulations, bye-laws applicable to the infrastructure Company as mentioned below:
 1. Indian Contract Act, 1872
 2. Maharashtra Building and Other Construction workers (Regulation of Employment and Conditions of Service) Rules, 2007
 3. Building and other construction workers (Regulation of Employment and Conditions of Service) Act, 1996
 4. The Contract Labour (Regulation and Abolition) Act, 1970
 5. Environment Protection Act, 1986

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. Appointment of Internal Auditor for the financial year 2016-2017 is pending.
2. The vacancy in the office of Chief Financial Officer of the Company was not filled up by the Board of Directors within a period of six months from the date of vacancy, Mr. Indrajit Bhattacharya resigned on 30th April, 2015 as Chief Financial officer, thereafter Board at its meeting held on 17th February, 2017 had appointed Mr. Anil Khorpe as CFO of the Company, w.e.f. 22nd Feb, 2017.
3. The Company has made delay in submitting unaudited results to Exchanges (BSE & NSE) for the 3rd month ended on 30th June, 2016 & 6th Month ended 30th September, 2016, as required in terms of regulation 33 of SEBI (LODR) Regulation 2015.
4. The Company has not filed Return of Foreign Liability & Assets Statement (FLA) and Annual Performance Report with respect to its Foreign Subsidiary to Reserve Bank of India (RBI) for the F. Y. 2016-2017, as required in terms of RBI circular no. 145 dated 18/06/2014.
5. Filing of Annual Financial Statement (E-form AOC-4) for the Financial Year 2015-16 is pending to MCA (ROC- Mumbai) till date.
6. Audit Committee meeting held on 14th June 2016 & 12th August 2016 was consist of only 1 (One) Independent Director.
7. Stakeholder Relationship Committee meeting held on 29th June 2016 & 21st September 2016 was chaired by Mr. Dinesh Valecha, Executive Director of the Company, whereas same should have been chaired by Non Executive Director.
8. The Company has not complied with the provision of Section 134 (1) of the Companies Act 2013 to the extent of non-signing of financial statement of Financial year 2015-2016 by the Chief Financial officer of the Company, as the Company was not having Chief Financial officer during the period.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non executive director except to the observation stated above regarding committees. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the Minutes of the meetings of the Board of directors or Committee of the Board as the case may be.

We further report that as represented by the Company and relied upon by us, there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guideline.

We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report that during the audit period, there were no specific events /action reported having major bearing on company's operations in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Ragini Chokshi & Co.,
(Company Secretaries)

Makarand Patwardhan
(Partner)
C.P.No.9031
ACS No.11872

Place: Mumbai
Date : 03/08/2017

ANNEXURE B

Form No. AOC - 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the
Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

All contracts arrangements / transactions with related parties were on arms' length basis and were in the ordinary course of business.

2. Details of material contracts or arrangement or transactions at arm's length basis

There was no material related party contract or arrangement or transaction during the year.

ANNEXURE : C
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2017

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	5 th 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, 4 th Floor, New Link Road, Andheri (West), Mumbai-400 053. Tel :022-2673 3625-29 Fax :022- 2673 3945
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. Tel : 022-6617855/26178548

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.	Roads and Other Projects	4210	73.50 %
2.	Ground Engineering	4290	26.50 %

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 Limited Valecha Chambers, 4 th Floor, New Link Road, Andheri (West), Mumbai-400 053	U55101MH1995PLC084399	Wholly Owned Subsidiary Company	100%	2(87)(ii)
2.	Professional Realtors Private Limited Valecha Chambers, 4 th Floor, New Link Road, Andheri (West), Mumbai-400 053	U45400MH2007PTC169197	Wholly Owned Subsidiary Company	100%	2(87)(ii)
3.	Valecha LM Toll Private Limited Valecha Chambers, 4 th Floor, New Link Road, Andheri (West), Mumbai-400 053	U74900MH2010PTC202289	Subsidiary Company	74%	2(87)(ii)
4.	Valecha Badwani Sendhwa Toll Ways Limited Valecha Chambers, 4 th Floor, New Link Road, Andheri (West), Mumbai-400 053	U45203MH2011PLC215905	Subsidiary Company	74%	2(87)(ii)
5.	Valecha Kachchh Toll Roads Limited Valecha Chambers, 4 th Floor, New Link Road, Andheri (West), Mumbai-400 053	U45203MH2011PLC219600	Subsidiary Company	58%	2(87)(ii)
6.	Valecha International (FZE)	-	Subsidiary	100%	2(87)(ii)
7.	Valecha Realty Limited Valecha Chambers, 4 th Floor, New Link Road, Andheri (West), Mumbai-400 053	U70109MH2007PLC175404	Associate Company	49.90%	2(6)
8.	Bhubaneshwar Expressways Private Limited 37-38, Jain Bhawan 12, Bhagat Singh Marg, New Delhi -110001	U45200DL2010PTC205121	Associate Company	40%	2(6)
9.	Aryavrat Projects And Developers Private Limited 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi -110029	U45400DL2007PTC169885	Associate Company	49%	2(6)
10.	Valecha Investments Private Limited Valecha Chambers, 4 th Floor, New Link Road, Andheri (West), Mumbai-400 053	U65990MH1982PTC028361	Associate Company	30.77%	2 (6)

V. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i)	Category-wise Share Holding	No. of Shares held at the beginning of the year i.e 01.04.2016				No. of Shares held at the end of the year i.e 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A. Promoters									
(a)	Individuals / Hindu Undivided Family	67,703	0	67,703	0.30	13,276	0	13,276	0.06	-0.24
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	6,933,673	0	6,933,673	30.78	6,932,673	0	6,932,673	30.77	0.00
(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
(i)	Promoter Group	400,014	0	400,014	1.78	59,231	0	59,231	0.26	-1.51
	Sub-Total (A) (1)	7,401,390	0	7,401,390	32.85	7,005,180	0	7,005,180	31.09	-1.76
(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)	7,401,390	0	7,401,390	32.85	7,005,180	0	7,005,180	31.09	-1.76
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	0	10,012	10,012	0.04	0	10,012	10,012	0.04	0.00
(b)	Financial Institutions / Banks	13,532	0	13,532	0.06	180	0	180	0.00	-0.06
(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	699,772	0	699,772	3.11	699,772	0	699,772	3.11	0.00
(f)	Foreign Institutional Investors	521,287	0	521,287	2.31	521,287	0	521,287	2.31	0.00
(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)									
(i)	Foreign Institutional Investors - DR	371,250	0	371,250	1.65	371,250	0	371,250	1.65	0.00
	Foreign Portfolio Investors - Corp	3,000,000	0	3,000,000	13.32	3,000,000	0	3,000,000	13.32	0.00
	Sub-Total (B) (1)	4,605,841	10,012	4,615,853	20.49	4,592,489	10,012	4,602,501	20.43	-0.06
(2)	Non-Institutions									
(a)	Bodies Corporate									
i)	Indian	1,801,167	59,356	1,860,523	8.26	1,249,403	59,356	1,308,759	5.81	-2.45
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,454,485	175,914	5,630,399	24.99	5,683,963	175,242	5,859,205	26.01	1.02
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,760,439	141,073	2,901,512	12.88	3,492,959	141,073	3,634,032	16.13	3.25

(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0.00	0.00
(d)	Any Other								
(i)	Trust	0	0	0	0.00	0	0	0.00	0.00
(ii)	Directors & their relatives	120,348	0	120,348	0.53	120,348	0	120,348	0.53
	Sub-total (B) (2)	10,136,439	376,343	10,512,782	46.66	10,546,673	375,671	10,922,344	48.48
	Total Public Shareholding (B) = (B)(1)+(B)(2)	14,742,280	386,355	15,128,635	67.15	15,139,162	385,683	15,524,845	68.91
	TOTAL (A)+(B)	22,143,670	386,355	22,530,025	100.00	22,144,342	385,683	22,530,025	100.00
(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
(2)	Public	0	0	0	0.00	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	22,143,670	386,355	22,530,025	100.00	22,144,342	385,683	22,530,025	100.00

IV) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

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

Serial no.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			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.	6,933,249	30.77	18.38	6,932,249	30.77	18.38	-1,000	0.00
2	K P Valecha (HUF)	281,625	1.25	0.00	0	0.00	0.00	-281,625	-1.25
3	Madanlal Lilaram Valecha	54,427	0.24	0.00	0	0.00	0.00	-54,427	-0.24
4	Pavitra Ramchandra Valecha	37,000	0.16	0.00	7,169	0.03	0.00	-29,831	-0.13
5	Ramchand Hemandas Valecha	21,481	0.10	0.00	21,481	0.10	0.00	0	0.00
6	Geeta Prakash Valecha	15,000	0.07	0.00	0	0.00	0.00	-15,000	-0.07
7	Kavita Vasudev Valecha	11,362	0.05	0.00	2,862	0.01	0.00	-8,500	-0.04
8	Sharda Hariram Valecha	10,125	0.04	0.00	10,125	0.04	0.00	0	0.00
9	Vasudev Pyarelal Valecha (HUF)	9,112	0.04	0.00	9,112	0.04	0.00	0	0.00
10	Alka Vasudev Valecha	7,775	0.03	0.00	1,948	0.01	0.00	-5,827	-0.03
11	Lata Vasudev Valecha	6,199	0.03	0.00	6,199	0.03	0.00	0	0.00
12	Dinesh H Valecha - Karta For Hariram Pyarelal Valecha (Huf) .	4,500	0.02	0.00	4,500	0.02	0.00	0	0.00
13	Bhavana Ramchand Valecha	3,375	0.01	0.00	3,375	0.01	0.00	0	0.00
14	Dinesh Valecha	2,812	0.01	0.00	2,812	0.01	0.00	0	0.00
15	Umesh Hariram Valecha	2,587	0.01	0.00	2,587	0.01	0.00	0	0.00
16	Gopaldas Vasudev Construction Pvt.Ltd.	424	0.00	0.00	424	0.00	0.00	0	0.00
17	Geeta Dinesh Valecha	337	0.00	0.00	337	0.00	0.00	0	0.00
		7,401,390	32.85	18.38	7,006,180	31.09	18.38	-396,210	-1.76

iv) Shareholding Pattern of Top 10 Shareholders (Other than Director, Promoters and Holders of GDRS and ADRs):

Srno	Name	No of shares as on 31.03.2016	No of shares as on 31.03.2017	Net Changes	% to Capital
1	Hypnos Fund Limited	2,000,000	2000000	0	0.00
2	Em Resurgent Fund	1,000,000	1000000	0	0.00
3	Orange Mauritius Investments Limited	892,537	892,537	0	0.00
4	General Insurance Corporation Of India	699,772	699,772	0	0.00
5	Mahesh Awatrai Bhojwani	742,485	608,118	-134367	-0.60
6	Harsha Hitesh Javeri	101	425,000	424899	1.89
7	Hitesh Ramji Javeri	327	506226	424899	1.89
8	Darshana Umakant Rege	361,000	300,000	-61000	-0.27
9	Globe Capital Market Ltd	272,808	250,700	-22108	-0.10
10	Sanjay R. Chhabria	225,000	225,000	0	0.00
11	Soni Gopal Valecha	136,100	136,100	0	0.00
12	Hiranand Harkishindas Dayaram	196,000	131000	-65000	-0.29
13	Arvind Maganlal Thakkar	120,348	120348	0	0.00
14	Mahender Singh Arora	100,000	100000	0	0.00

v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name of the ShareHolder	Shareholding at the beginning of the year (as on 01.04.2016)		Shareholding at the end of the year (as on 31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Jagdish Kishanchand Valecha	0	0.00	0	0.00
2	Dinesh H Valecha	2,812	0.01	2,812	0.01
3	Umesh Hariram Valecha	2,587	0.01	2,587	0.01
4	Arvind Maganlal Thakkar	120,348	0.53	120,348	0.53

VII. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	33,261.44	616.00	3,824.00	37,701.44
ii) Interest due but not paid	655.18	--	--	655.18
iii) Interest accrued but not due	--	--	118.46	118.46
Total (i+ii+iii)	33,916.62	616.00	3,942.46	38,475.08
Change in Indebtedness during the financial year				
* Addition	11,070.12	--	176.10	11,246.22
* Reduction	(4,305.77)	(491.00)	(355.74)	(5,152.51)
Net Change	6,764.35	(491.00)	(179.64)	6,093.71
Indebtedness at the end of the financial year				
i) Principal Amount	38,137.87	125.00	3,468.26	41,731.13
ii) Interest due but not paid	2,543.10	--	294.56	2,837.66
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	40,680.97	125.00	3,762.82	44,568.79

VIII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors:

(Rs. In Lakhs)					
Sr. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount
		Jagdish Valecha Vice Chairman cum 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	101.05	74.33	49.19	224.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.97	0.91	-	3.88
	(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, (EPF Company Contribution)	12.96	9.24	6.01	28.21
	Total (A) #	116.98	84.48	55.20	256.66

including Rs. 125.47 lakhs for F. Y. 2015-16

B. Remuneration to other directors

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Arvind Thakkar	Ashmi Sheth	Kailas Chandore	Sonal Jitiya	Ketan Gandhi	Total
1	Independent Directors	0.05	0.45	0.45	0.10	0.10	1.15
	Fee for attending board & committee meetings						
	Commission						
	Others, please specify						
	Total (1)	0.05	0.45	0.45	0.10	0.10	1.15
2	Other Non-Executive Directors						
	Fee for attending board committee meetings						
	Commission						
	Others, please specify						
	Total (2)						
	Total (B)=(1+2)	0.05	0.45	0.45	0.10	0.10	1.15

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS w.e.f. 01.10.2016	CFO w.e.f. 01.03.2017	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7.00	1.33	8.33
	(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		7.00	1.33	8.33

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

REPORT ON CORPORATE GOVERNANCE

A compliance report on Corporate Governance is included in this Annual Report in compliance of Regulation 34(3) read with Schedule V Part C appended to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter collectively termed as "said regulations")

1. Company's Philosophy on Code of Governance:

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and dedicate itself to increasing long-term shareholders value, keeping in view the need and interest of all its stakeholders' viz. customers, shareholders, employees, regulatory bodies, vendors, bankers etc.

2. Board of Directors:

Composition and size of the Board:

Present Strength of the Board	
6(Six) Directors	
3 (Three) Executive Directors	3 (Three) Non-Executive Independent Directors

The Board is headed by Mr. Arvind Thakkar, Independent and Non-Executive Chairman.

The members of the Board are acknowledged as businessmen and professionals in their respective fields.

Non-Executive Independent Directors bring independent judgment in the Board's deliberations and decisions.

The Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report.

Board Meetings and Attendance

During the year 2016-2017, the Board met 10 times, with at least one meeting in every quarter and with a gap of less than 120 Days between two meetings on the following dates, namely:

14th June, 2016, 12th August, 2016, 27th September, 2016, 05th November, 2016, 01st December, 2016, 21st January, 2017, 14th February, 2017, 17th February, 2017, 22nd March, 2017 and 30th March, 2017

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/she 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. Arvind Thakkar	Non-Executive & Independent	02208108	1	Not Attended	-	3	3
Mr. J. K. Valecha	Executive & Non-Independent	00013070	10	Attended	2	2	-
Mr. D. H. Valecha	Executive & Non-Independent	00012945	10	Attended	2	2	-
Mr. U. H. Valecha Up to 10.08.2016	Executive & Non-Independent	00012991	-	Not Attended	2	-	-
Mr. Kailas P Chandore Up to 22.03.2017	Non-Executive & Independent	07644193	5	Attended	-	3	-
Mrs. Ashmi Sheth Up to 22.03.2017	Non-Executive & Independent	07644493	5	Not Attended	-	3	-
Mr. Ketan Gandhi w.e.f. 22.03.2017	Non-Executive & Independent	00650579	1	N.A.	-	3	-
Mrs. Sonal V. Jitiya w.e.f. 22.03.2017	Non-Executive & Independent	00668047	1	N.A.	-	3	-
Mr. Tarun Dutta w.e.f. 26.06.2017	Additional Director	07867786	-	N.A.	-	-	-

3. Audit Committee: Terms of Reference in brief:

The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee subject to Section 177 of the Companies Act, 2013 and Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015:

- i. Overseeing of the Company's financial reporting process and disclosure of financial information and financial/risk management policies.
- ii. Review of Quarterly and Annual Financial Statements ensuring compliance with regulatory guidelines and auditors report thereon.
- iii. Review of the adequacy of Internal Control Systems, discussion on significant Internal Audit findings including internal control and weakness, if any and risk management.
- iv. Recommend appointment, removal of Statutory Auditors, Cost Auditors, Internal Auditors & their remuneration.
- v. Review and approval of material related parties' transactions and subsequent modification thereto.
- vi. Review and approve appointment of CFO or any other person heading the finance function.
- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- viii. Scrutiny of inter-corporate loans and investments.
- ix. Valuation of undertakings or assets of the Company, wherever it is necessary.

Composition of Audit Committee of the Board:

Present Strength of the Audit Committee 3(Three) Directors		
Name of Director	Category	Committee Chairmanship/Membership
Mr. Arvind Thakkar	Non-Executive Independent Director	Chairman
Mr. Ketan Gandhi	Non-Executive Independent Director	Member
Mrs. Sonal Jitiya	Non-Executive Independent Director	Member

During the year under review, Mr. Kailas Chandore and Mrs. Ashmi Sheth (Non-Executive Independent Directors) resigned from the Board on 22nd March, 2017.

The **Audit Committee** was re-constituted on 30th March, 2017 appointing Mr. Ketan Gandhi and Mrs. Sonal Jitiya as members.

Meetings and attendance of the Audit Committee:

The Audit Committee met 7 times during the year 2016-17 on 14th June, 2016, 12th August, 2016, 01st December, 2016, 21st January, 2017, 14th February, 2017, 17th February, 2017 and 30th March, 2017.

The attendance of the members at the meeting was as follows:

Name of Director	Category	Committee Chairmanship/Membership
Mr. Arvind Thakkar	Non-Executive Independent Director	Chairman
Mr. Jagdish Valecha	Executive Non-Independent Director	Member
Mr. Dinesh Valecha	Executive Non-Independent Director	Member
Mr. Kailas Chandore From 27.09.2016 To 22.03.2017	Non-Executive Independent Director	Member
Mrs. Ashmi Sheth From 27.09.2016 To 22.03.2017	Non-Executive Independent Director	Member
Mr. Ketan Gandhi w.e.f. 22.03.2017	Non-Executive Independent Director	Member
Mrs. Sonal Jitiya w.e.f. 22.03.2017	Non-Executive Independent Director	Member

4. Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee are mentioned in the provisions of Section 178 of the Companies Act, 2013 read with Part D(A) of Schedule II and Regulation 19 of the SEBI Listing Regulations, 2015:

- i. Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board his/her appointment and removal;
- ii. Conduct the evaluation of every director's performance;
- iii. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- iv. Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- v. Formulation of criteria for evaluation of independent directors and the Board
- vi. Devising a policy on Board diversity; and
- vii. Any other matter as the Board may decide from time to time.

Composition of Nomination and Remuneration Committee of the Board:

Present Strength of the Nomination and Remuneration Committee 3(Three) Directors		
Name of Director	Category	Committee Chairmanship/Membership
Mr. Arvind Thakkar	Non-Executive Independent Director	Chairman
Mr. Ketan Gandhi	Non-Executive Independent Director	Member
Mrs. Sonal Jitiya	Non-Executive Independent Director	Member

A brief summary of the change in the composition of the Nomination and Remuneration Committee during the year is given as under:

Name of Director	Category	Committee Chairmanship/Membership
Mr. Arvind Thakkar	Non-Executive Independent Director	Chairman
Mr. Jagdish Valecha	Executive Non-Independent Director	Member
Mr. Dinesh Valecha	Executive Non-Independent Director	Member
Mr. Kailas Chandore From 27.09.2016 To 22.03.2017	Non-Executive Independent Director	Member
Mrs. Ashmi Sheth From 27.09.2016 To 22.03.2017	Non-Executive Independent Director	Member
Mr. Ketan Gandhi w.e.f. 22.03.2017	Non-Executive Independent Director	Member
Mrs. Sonal Jitiya w.e.f. 22.03.2017	Non-Executive Independent Director	Member

Remuneration paid to Directors for the period from 01.04.2016 to 31.03.2017:

There is no pecuniary relationship or transactions entered into by the Company with any of the Directors of the Company except as disclosed herein below as regards the remuneration including the sitting fees paid to them.

(Rs. in lakhs)

Sr. No.	Name of Directors	Shareholding as on 31.03.2017	Salary and Perquisites	Sitting Fees	Commission	Total
1.	Mr. Jagdish K. Valecha	0	67.20	-	-	67.20
2.	Mr. Dinesh H. Valecha	2,812	47.04	-	-	47.04
3.	Mr. Umesh H. Valecha	2,587	16.94	-	-	16.94
4.	Mr. Arvind Thakkar	1,20,348	-	0.05	-	0.05
5.	Mr. Kailas Chandore	-	-	0.45	-	0.45
6.	Mrs. Ashmi Sheth	-	-	0.45	-	0.45
7.	Mr. Ketan Gandhi	-	-	0.10	-	0.10
8.	Mrs. Sonal V. Jitiya	-	-	0.10	-	0.10
	Total		131.18	1.15	-	132.33

The Company does not have any stock option scheme. Other than above mentioned fees, no other remuneration is paid to non-executive directors.

5. Performance Evaluation criteria for Directors:

Pursuant to the provisions of the Companies Act,2013 and SEBI (Listing Obligation and Disclosure Requirements),2015the 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 Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and Committees of the Board of Directors.

The criteria for performance evaluation encompass the following areas relevant to their functioning as Independent Directors or other Directors, members of Board or Committees of the Board. Some of them are as under:

- Composition of the Board and committees.
- Frequency of meetings and administration of meeting.
- Attendance to the Board and Committee meetings, and active participation thereof.
- Flow of information to the board.
- Experience and competencies, performance of specific duties and obligations, disclosure of information to stakeholders.
- How their performance is reflected in the overall engagement of the Board and its Committees with the Company.

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The Board of Directors carry out the performance evaluation of Independent Directors and the director who is subject to evaluation does not participate during his evaluation.

6. Independent Directors' Meeting

During the year under review, the Independent Directors met on 22nd March, 2017 *inter alia*, to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and
- 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. Familiarization 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 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

8. Stakeholder's Relationship Committee:

Stakeholders Relationship Committee specifically looks into redressing of Shareholders' and Investors' Complaints regarding transfer of shares, non-receipt of Dividend warrants and Annual Reports include enquiring into and redress complaints of Shareholders and Investors and to resolve the grievance of security holders of the Company.

All the requests / correspondence received for the financial year ended 31st March, 2017, were duly addressed by the Company/Registrar & Transfer Agent, **TSR Darashaw Limited**, appropriately. No queries are pending for resolution except where they are constrained by dispute or legal impediments or due to incomplete or non-submission of documents by the concerned Shareholders.

Composition of Stakeholders Relationship Committee:

A brief summary of the change in the composition of the Stakeholders Relationship Committee during the year is given as under:

Name of Director	Category	Committee Chairmanship/Membership
Mr. Arvind Thakkar	Non-Executive Independent Director	Chairman
Mr. Jagdish Valecha	Executive Non-Independent Director	Member
Mr. Dinesh Valecha	Executive Non-Independent Director	Member
Mr. Kailas Chandore From 27.09.2016 To 22.03.2017	Non-Executive Independent Director	Member
Mrs. Ashmi Sheth From 27.09.2016 To 22.03.2017	Non-Executive Independent Director	Member
Mr. Ketan Gandhi w.e.f. 22.03.2017	Non-Executive Independent Director	Member
Mrs. Sonal Jitiya w.e.f. 22.03.2017	Non-Executive Independent Director	Member

Name and Designation of the Compliance Officer: **Mr. Vijaykumar H. Modi**- Company Secretary & Legal.

During the year under review, the Company had received 6 complaints from shareholders and the same have been redressed to their satisfaction.

9. 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.

The Company is not required to constitute a Risk Management Committee, as the Company falls outside the purview of the provisions of Regulation 21(5) of the SEBI Listing Regulations, 2015.

10. 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 Regulation 22 of the SEBI (Listing Obligation and Disclosure

Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism/Whistle Blower policy with a view to maintain high standards of transparency in Corporate Governance, deal with unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. No communication from any employee of the company under the Whistle Blower Policy was received during the year.

11. Subsidiary Companies:

None of the Company's subsidiary is a material subsidiary during the year under review.

The Audit Committee reviews the financial statements including the investments made by the unlisted subsidiary companies. The minutes of the Board of Directors of the unlisted subsidiary companies are provided to the Board of Directors of the Company as a part of the Board Meeting Agenda notes.

12. General Body Meetings:

The details of last three Annual General Meeting of the Company are as follows:

Date	Time	Details of Special Resolution	Relevant Section	Location
28.12.2016	11:00 a.m.	-	-	M. C. Ghia Hall, K. D. Marg, Kala Ghoda, Mumbai - 400 001
30.09.2015	4:00 p.m.	Payment of remuneration to Mr. Jagdish Valecha	196,197,198 & 203 196,197 & 198	Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018
		Payment of remuneration to Mr. Dinesh Valecha	196,197 & 198	
		Payment of remuneration to Mr. Umesh Valecha		
29.09.2014	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	

As on date of this report, there is no proposal to pass any special resolution through Postal Ballot.

13. Disclosures:

1. 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.
2. The Director's Report includes details of Management Discussion and Analysis including Risks & Concerns.
3. Whistle Blower Policy: The Company takes cognizance of complaints made and suggestions given by the employees and others.
4. The mandatory requirements as per SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 have been complied with by the Company.

14. Means of Communication:

- Quarterly/Half yearly/Financial results are published in leading English & Marathi newspapers.
- Quarterly, Half Yearly and Annual Financial Results of the Company immediately after approval of the Board are sent to the Stock Exchange together with a copy of Limited Review Report/Audit Report and Half-yearly Statement of Assets & Liabilities as applicable.
- All the data related to Quarterly, Annual Financial Results, Shareholding Pattern etc. are uploaded as required in terms of SEBI(Listing Obligation and Disclosure Requirement), Regulations 2015.
- Management Discussion and Analysis Report forms part of the Annual Report.

15. 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.

16. 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 below.

DECLARATION UNDER CODE OF CONDUCT:

It is hereby confirmed that all the Directors and Senior Management Personnel (i.e. one level below the executive directors, including all functional heads) of the Company have received, read and understood for compliance with the Code of Conduct framed by the Company and confirmations for the year ended **31.03.2017** have been obtained from the Directors and Senior Management Personnel of the Company.

For and on behalf of the Board
For VALECHA ENGINEERING LIMITED

JAGDISH K. VALECHA
Vice Chairman cum Managing Director

Date : 16th August, 2017

Place : Mumbai

17. 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.

18. General Shareholder Information:

40 th Annual General Meeting	Day & Date : Friday, 29 th September, 2017 Time : 10:30 a.m. Venue : Babasaheb Dahanukar Sabhagriha Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda Fort, Mumbai - 400 001	
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	Friday, 22 nd September, 2017 to Friday, 29 th September, 2017	
Listing on Stock Exchange	BSE Limited	National Stock Exchange of India Limited
a) Stock Code No.	532389	VALECHAENG
b) Code on Screen	532389	VALECHAENG
Disclosure on suspension of trading	w.e.f. 29 th November, 2016 for Non-submission of Audited/Unaudited Results for the year ended 31 st March, 2016 and Quarter ended 30 th June, 2016	
Details of Non-Compliance by the listed entity, penalties and strictures imposed on the listed entity by the stock exchange during the last three years	The BSE Limited vide its letter dated 08 th August, 2017 regretted the waiver of penalty for Non-Compliance of Regulation 33 of the SEBI(Listing Obligation and Disclosure Requirements), Regulations, 2015. The Board of Directors are seeking legal advice to contest the same before the Securities Appellate Tribunal.	

Market Price data:

Monthly high and low of quotations on BSE Limited (BSE) and National Stock Exchange of India Limited (NSEIL)

Month	BSE		NSE	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
April, 2016	30.75	28.34	30.77	28.39
May, 2016	31.12	26.22	30.86	26.17
June, 2016	33.43	24.89	33.59	24.66
July, 2016	33.44	31.12	33.56	31.09
August, 2016	31.90	27.32	31.98	27.73
September, 2016	30.37	26.48	30.46	26.20
October, 2016	27.42	24.34	27.81	24.30
November, 2016	28.57	24.34	28.30	24.06
December, 2016	26.90	26.25	25.84	25.61
January, 2017	26.25	22.14	26.36	22.74
February, 2017	23.10	22.54	22.88	21.57
March, 2017	20.78	17.86	20.53	17.77

Registrar and Transfer Agents	TSR Darashaw Limited CIN: U67120MH1985PLC037369 6-10 Haji MoosaPatrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011. Tel.: 66568484 • Fax: 66568494
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- * 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, 2017.

Shareholding of Nominal Value		Shareholders		Share Amount	
Rs.	Rs.	No.	% to Total	Rs.	% to Total
1	5,000	11930	81.86	18368280	8.15
5,001	10,000	1317	9.04	10742500	4.77
10,001	20,000	659	4.52	10061910	4.47
20,001	30,000	246	1.69	6,27,5110	2.79
30,001	40,000	107	0.73	3812440	1.69
40,001	50,000	84	0.58	3994160	1.77
50,001	1,00,000	137	0.94	10180200	4.52
1,00,001	Above	94	0.64	161865650	71.84
TOTAL		14574	100.00	225300250	100.00

Share Holding Pattern as on 31.03.2017			
Sr. No.	Category	No. of Shares	%
1.	Promoters (Promoter group)	7005180	31.09
2.	NRI's	1164026	5.17
3.	Bodies Corporate	1308759	5.81
4.	Financial Institution/Mutual Fund	709964	3.15
5.	Foreign Institution Investors	3892537	17.28
6.	Others:		
	Independent Directors	120348	0.53
	Shares held by Custodians issued against GDRs		
	Indian Public	8329211	36.97
	TOTAL	22530025	100.00

* Dematerialization of Shares: As on 31st March, 2017, 98.29% of the Company's total shares representing 2,21,44,342 Shares were held in dematerialized form.

The Share are available in Demat form with:

1. Central Depository Services (India) Limited ISIN-INE624C01015
2. 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

For and on behalf of the Board
For VALECHA ENGINEERING LIMITED

DINESH VALECHA
Director

JAGDISH K. VALECHA
Vice Chairman cum Managing Director

Place: Mumbai

Date: 16th August, 2017

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
VALECHA ENGINEERING LIMITED
Mumbai.

We have examined the compliance of conditions of Corporate Governance **VALECHA ENGINEERING LIMITED**, ("the Company"), for the year ended on March 31, 2017, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulation 2015").

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations 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 as stipulated in the aforesaid provisions of SEBI (LODR) Regulation, 2015 except requirements for having requisite number of Independent/Non Executive directors, on the Committee constitution of viz. Audit Committee/ Nomination & Remuneration Committee and Stake Holder Relationship Committee were not met with during some of the meeting held during the Audit period of such committees, however as on March 31, 2017 composition of all committee and Board were proper in compliance with the provision of above referred regulation.

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

For Ragini Chokshi & Co.
Company Secretaries

Ragini Chokshi
Partner
C.P.No.1436
FCS No.2390

Place: Mumbai
Date: 03rd August, 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **Indian Economy** Infrastructure is a key driver of the overall development of Indian economy. This sector focuses on major infrastructure sectors such as power, roads and bridges, dams and urban infrastructure. The changing infrastructure landscape in India has generated significant interest from international investors. This section provides details of various Government of India policies and plans aimed at improving the infrastructure, with specific focus on urban transformation (Smart City, AMRUT, HRIDAY) and Namami Gange. To explore this section, to know more about the measures taken to improve our country's highways, power, railways, mining and civil aviation.
2. **Infrastructure and Real Estates Industry:** The private sector has emerged as a key player in the development of road infrastructure in India. Increased industrial activities, along with increasing number of two and four wheelers have supported the growth in the road transport infrastructure projects. The government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with a large number of private players entering the business through the public-private partnership (PPP) model.

3. **Opportunities – Domestic Market**

The Government of India is taking every possible initiative to boost the infrastructure sector. Some of the steps taken in the recent past are being discussed hereafter.

In the Union Budget 2017-18, the Government of India has taken the following measures for the development of infrastructure.

- Increased total infrastructure outlay and Defence Capital expenditure by 10 % and 20.6 % to Rs 3,96,135 crore (US\$ 59.18 billion) and Rs 86,488 crore (US\$ 13.1 billion) respectively, over FY17 revised estimate.
- Railway expenditure allocation has increased by 8 % to Rs 1,31,000 crore (US\$ 19.58 billion) for laying down 3,500 km of railway lines in 2017-18.
- Affordable housing has been given infrastructure status.
- Lock-in period for long-term capital gains on land and buildings has been reduced from three to two years. SEPC is well geared for meeting the imminent demand from the end user verticals.

Threats

Regulatory & Political Risk The Company functions in a dynamic and ever changing business environment, wherein any sudden withdrawal or policy cancellation can have an adverse impact on the businesses overall operations. In addition, higher level of regulations can also have an adverse impact on the Company's profitability.

Increasing Competition Heightened competition results in increased bidding for projects which in turn forces Companies to bid for projects at unviable margins. In addition, increased competition can have a negative impact on profitability owing to lower revenue generation and greater operating cost.

4. **Outlook:**

The Company has been going through challenging time over the past few years, a consequence of slowing capex activities and higher interest environment in the country. Subdued economic activities resulted in clients canceling or delaying their expansion plans in turn affecting the revenue visibility and cash flows cycle of the Company. On the other hand, debt commitments in terms of interest expenses kept on mounting leading to tightening of liquidity position and profitability erosion of the business. However, in a bid to revive the business and restore its financials the Company has undertaken a series of measures directed towards improving its operational efficiencies, cutting down on expenses and negotiating with the bankers for securing better terms on existing debt. The promoters as well have shown their faith in the business and continued to offer support in non-monetary terms. The Company's strategic initiatives are also ably supported by improving macro environment on the back of supportive policies of the government. The Company is optimistic that the above factors will help it emerge as a stronger and more focused EPC player. The future looks even more bullish for various reasons. The increasing demands on infrastructure will see the implementation of mega and complex projects.

6. **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.

7. Discussion on financial performance with respect to Operation Performance:

During the current financial year, the Company has achieved the turnover of Rs. 41,092.86 lakhs against Rs.70,833.27 lakhs resulting into a marginal decrease of 41.99%. The Company has incurred Post Tax Loss of Rs. 6,619 lakhs against the Loss after Tax of Rs. 18,128 lakhs.

8. 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 organization. Human Resource is recognized as most valuable asset of the Company that play vital role in attaining success for the organization today and in the years to come.

9. Going Forward

The Company believes that the ongoing competitive scenario, whereby the players are bidding at low levels and undertaking projects with stringent contract terms, are unsustainable and shall result in several industry consolidations in the coming years. This shall lead to revival of the industry for better. Besides, during the past few years, the Company has consciously made the decision to focus on public projects which have resulted in reducing drags on balance sheet, declining debt, and ability to better mobilize resources for higher operational efficiencies. The Company shall continue with this strategy, while investing more on acquiring new technologies and latest equipment to strengthen competencies.

Going forward, the Company shall consider expanding segments depending upon the upcoming opportunities. However, the key focus shall be on growing around the areas of core expertise.

10. 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 AUDITOR'S REPORT

To The Members of Valecha Engineering Limited

Report on the Standalone 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, 2017, the Statement of Profit and Loss and 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 Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence obtained by us 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, 2017 and its loss and its cash flow for the year ended on that date.

Emphasis of Matters

9. We draw attention to the following matters in the notes to financial statements:
 - (i) Note 29 in the Financial Statement indicate that the Company has incurred substantial losses from its operations during the current and previous year which has eroded its net-worth substantially. The Company has also incurred net operating cash loss during the current year. Further, the Company has defaulted in repayment of borrowing and payment of statutory dues, and few banks have categorised the Company's bank accounts as "Non-performing Assets". These conditions, along with other matters set forth in Note 29 in the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
 - (ii) The investment in Valecha Infrastructure Limited and Valecha Kachchh Toll Roads Limited, subsidiaries of the Company, whose net worth has been fully eroded, is carried at Rs. 9,833.50 lakhs in the Balance Sheet as at March 31, 2017. The investment in Valecha International (FZE), which has no operations for several years, is carried at Rs. 26.44 lakhs as at March 31, 2017. Further, loans and advances given to these subsidiaries aggregating to Rs. 14,293.19 lakhs are outstanding as at March 31, 2017. However, the Management does not expect any material impact affecting the current year's financial statements on the account of provision for diminution in the value of investments and recoverability of loans and advances. Accordingly, no provision has been made in the financial statements.
 - (iii) We did not audit the books of account due to non-availability of supporting documents of three (3) project sites whose statements reflect total assets of Rs. 5,276.49 lakhs (5.20% of total assets) as on March 31, 2017, total revenue of Rs. 738.87 (1.70% of total revenue) and total Profit of Rs. 4.99 (-% of total loss) lakhs for the year ended on that date.

- (iv) Note No. H in the standalone financial statements which indicate that, balances of certain trade receivables and advances are subject to confirmation and reconciliation. However, the Management does not expect any material variation affecting the current year's financial statements on account of such reconciliation/ adjustments. Accordingly, no provision has been made in the financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, 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"), we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
11. As required by section 143(3) of the Companies Act, we report that:
- We have sought and, except for the matters described in the emphasis of matters paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - Except for the possible effects of the matters described in the emphasis of matters paragraph above, 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;
 - 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;
 - 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;
 - The going concern matter described in sub-paragraph (i) under Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act; and
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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 information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements (Refer Note No. 28);
 - The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise;
 - 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, 2017;
 - The Company has provided requisite disclosures in the financial statements as regards its holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note No. 32).

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

Place : Mumbai
Date : August 16, 2017

DILIP M. JANI
Proprietor
Membership No. 017259

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

Referred to in Paragraph 10 of the Independent Auditor’s Report of even date to the members of Valecha Engineering Limited on the standalone financial statements for the year ended March 31, 2017.

- i. In respect of fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - The Company has a programme of verification of its fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain assets were physically verified by the Management during the year. According to the information and the explanation given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification between physical stock and book records.
- iii. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, and other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which :
- The terms and conditions of the grant of such loans are, in our opinion, prima facie, prejudicial to the Company’s interest.
 - The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayment or receipt of the principal amount and the interest are regular.
 - Since the schedule of repayment has not been stipulated, the provisions of paragraph 3(iii)(c) of the Order is not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, during the year the Company has not accepted any deposit from the public, however defaulted in repayment of Deposits accepted in previous years amounting to Rs. 3,468.26 lakhs and cumulative interest thereon of Rs. 293.58 lakhs. Further, the Company has not complied with repayment schedule / order passed by the Company Law Board – New Delhi Branch heard on February 22, 2016 (Order passed under section 74(2) of the Companies Act Ref.C.P.NO. 05(MB) 2016).
- vi. The maintenance of cost records has been specified by the Central Government of India under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- The Company is not regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Cess and any other material statutory dues, as applicable, with the appropriate authorities. Provisions of Custom duty and Excise duty are not applicable to the Company. Statement of arrears of Statutory dues as on March 31, 2017 for the period of more than six months from the date they become payable, is as under:

(Amount in ₹ Lakhs)

Name of the Statute	Nature of Dues	Amount (RS.)	Period of Which the amount relates	Due Date	Date of Payment	Remarks, (If Any)
The Income Tax Act, 1961	Tax Deducted at Source	57.83	April 2014 to March 2015	May 2014 to April 2015	Not Paid	-
	Tax Deducted at Source	1,004.00	April 2015 to March 2016	May 2015 to April 2016	Not Paid	-
	Tax Deducted at Source	238.67	April 2016 to September 2016	May 2016 to October 2016	Not Paid	-
	Total	1,300.50				
Provident Fund & Misc Act	Provident Fund-Employer’s Contribution	54.59	April 2015 to March 2016	May 2015 to April 2016	Not Paid	-
	Provident Fund-Employer’s Contribution	30.77	April 2016 to September 2016	May 2016 to October 2016	Not Paid	-
	Provident Fund-Employee’s Contribution	49.63	April 2015 to March 2016	May 2015 to April 2016	Not Paid	-
	Provident Fund-Employee’s Contribution	28.13	April 2016 to September 2016	May 2016 to October 2016	Not Paid	-
	Total	163.12				
Finance Act, 1994	Service Tax	21.00	April 2014 to March 2015	May 2014 to April 2015	Not Paid	-
	Service Tax	30.22	April 2016 to September 2016	May 2016 to October 2016	Not Paid	-
	Total	51.22				

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- (b) There were no disputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Value Added Tax, which have not been deposited as on March 31, 2017. Provisions of Custom duty and Excise duty are not applicable to the Company.
- viii. In our opinion and according to the information and explanations given to us, except for the loans, borrowings, and dues mentioned in the below table, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company does not have any debentures issued / outstanding any time during the year.

(Amount in ₹ Lakhs)

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Term Loan				
Central Bank of India	3,598.08	668.96	4,267.04	30 to 549 Days
Syndicate Bank	3,196.00	1,112.94	4,308.94	30 to 456 Days
Yes Bank	-	14.23	14.23	1 to 31 Days
State Bank of Bikaner & Jaipur	1,208.30	158.94	1,367.24	30 to 366 Days
Machinery Loan				
ICICI Bank Ltd	6.31	11.28	17.59	1 to 30 Days
Vehicle Loan				
Axis Bank Ltd	1.64	0.01	1.65	1 to 30 Days
Working Capital Facilities				
State Bank of India	7,900.78	1,652.56	9,553.34	30 to 368 Days
Axis Bank Ltd	3,283.50	494.22	3,777.72	30 to 366 Days
Canara Bank	1,687.95	169.90	1,857.85	30 to 538 Days
Fixed Deposits from Public	3,468.26	293.58	3,761.84	1 to 943 Days
Total	24,350.82	4,576.62	28,927.44	

- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments), or term loans and hence reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by the officers or employees has been noticed or reported during the year, except for the following instance of fraud on the Company:
The Company has received order from Securities and Exchange Board of India (SEBI) on January 5, 2016 under section 11, 11B and 11(4) of the SEBI Act, 1992 Regulation 11 of the SEBI (Prohibition of Fraudulent And Unfair Trade Practices Relating to Securities Market) Regulations, 2003, which has restrain the Company from raising capital from public and further prohibit from buying, selling or otherwise dealing in securities, directly or indirectly, in any manner, whatsoever, for the period of three years from the date of Order.
- xi. According to the information and explanations given to us, the Company has paid / provided managerial remuneration of Rs. 252.78 lakhs (includes managerial remuneration of Rs. 125.47 lakhs provided for the previous year), which is exceeding the limit given in the Section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and details of related parties and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Mumbai
Date : August 16, 2017

DILIP M. JANI
Proprietor
Membership No. 017259

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 11(g) of the independent Auditor’s Report of even date to the members of Valecha Engineering Limited on the standalone financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of **Valecha Engineering Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by ICAI, and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company’s internal financial controls over financial reporting as at March 31, 2017:
- a. The Company is not having a full fledge ERP system to manage different operational activities. Accordingly, many of the operations, which would have been taken care by the system, required manual intervention and to that extent there are limitations in control system and processes. The discrepancies noticed due to the above weakness, were, however, rectified by the year end with manual intervention.
 - b. The Company did not have an appropriate internal control system at three (3) projects sites which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection and could potentially result in material misstatements in the Company’s trade payables, consumption, inventory and expense account balances.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the said Guidance Note.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2017.

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

Place : Mumbai
Date : August 16, 2017

DILIP M. JANI
Proprietor
Membership No. 017259

BALANCE SHEET AS AT 31st MARCH, 2017**(Amount in ₹)**

PARTICULARS	NOTE NO.	As at 31st March, 2017		As at 31st March, 2016	
I EQUITY AND LIABILITIES :					
1. Shareholders' Funds:					
a) Share Capital	1	22,53,00,250		22,53,00,250	
b) Reserves & Surplus	2	22,59,58,324	45,12,58,574	89,53,29,772	1,12,06,30,022
2. Non Current Liabilities:					
a) Long Term Borrowings	3	28,96,70,503		1,15,52,60,906	
b) Deferred Tax Liabilities (Net)	4	14,06,26,082		16,81,85,601	
c) Other Long Term Liabilities	5	1,69,85,63,880	2,12,88,60,465	2,26,12,03,432	3,58,46,49,939
3. Current Liabilities :					
a) Short Term Borrowings	6	2,66,60,66,008		1,13,05,40,190	
b) Trade Payables	7	1,71,70,22,056		1,65,73,86,472	
c) Other Current Liabilities	8	3,17,60,72,437	7,55,91,60,501	3,09,79,77,648	5,88,59,04,310
Total			10,13,92,79,540		10,59,11,84,271
II ASSETS :					
1. Non Current Assets :					
a. Fixed Assets:					
Tangible Assets:	9		46,45,93,105		78,14,50,859
b. Non Current Investments	10		1,35,45,67,296		1,34,46,26,186
c. Long Term Loans & Advances	11		12,02,956		2,01,84,759
2. Current Assets :					
a. Inventories	12	40,63,71,566		55,26,64,218	
b. Trade Receivables	13	2,59,70,35,256		2,56,07,15,771	
c. Cash and Cash Equivalents	14	28,11,15,319		56,88,83,004	
d. Short Term Loans & Advance	15	5,03,10,20,805		4,74,00,30,640	
e. Other Current Assets	16	33,73,237	8,31,89,16,183	2,26,28,834	8,44,49,22,467
Total			10,13,92,79,540		10,59,11,84,271
Significant Accounting Policies and Notes on Financial Statements	1 to 34				

As per our report of even date

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

For and on behalf of the Board

Vijay Kumar H. Modi
Company Secretary & Legal**Jagdish K.Valecha**
Vice-Chairman-Cum Managing Director
DIN : 00013070**Dilip M.Jani**
Proprietor
Membership No. 017259**Anil S. Korpe**
Chief financial Officer**Dinesh H. Valecha**
Director
DIN : 00012945Place : Mumbai.
Date : 16th August, 2017**Tarun Dutta**
Director
DIN : 07867786

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)					
PARTICULARS	NOTE NO.	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
I INCOME					
Revenue from Operations	17		4,10,92,86,044		7,08,33,26,891
Other Income	18		24,84,34,829		12,19,10,195
Total Revenue			4,35,77,20,873		7,20,52,37,086
II EXPENSES					
Construction Expenses	19		3,68,18,94,074		7,70,70,01,137
Changes in Inventories	19		14,62,92,652		(4,01,75,868)
Employee Benefit Expenses	20		16,74,16,778		22,12,87,444
Financial Cost	21		69,29,63,561		62,20,39,287
Depreciation and Amortisation Expense	22		14,63,16,162		19,88,15,634
Other Expenses	23		21,22,92,159		34,67,02,563
Total Expenses			5,04,71,75,386		9,05,56,70,197
III PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEM & TAX			(68,94,54,513)		(1,85,04,33,111)
IV Extraordinary Item			-		-
V PROFIT / (LOSS) BEFORE TAX (III + IV)			(68,94,54,513)		(1,85,04,33,111)
VI TAX EXPENSES / (BENEFITS)					
Current Tax			-		-
Deferred Tax / (Benefits)		(2,75,59,519)	(2,75,59,519)	(3,76,30,922)	(3,76,30,922)
VII PROFIT / (LOSS) FOR THE YEAR (V - VI)			(66,18,94,994)		(1,81,28,02,189)
Significant Accounting Policies and Notes on Financial Statements	1 to 34				
Earning Per Share of face value of ₹10/- each					
- Basic & Diluted (In ₹)	24		(29.38)		(81.36)

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

For and on behalf of the Board

Vijay Kumar H. Modi
Company Secretary & Legal

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Dilip M.Jani
Proprietor
Membership No. 017259

Anil S. Korpe
Chief financial Officer

Dinesh H. Valecha
Director
DIN : 00012945

Place : Mumbai.
Date : 16th August, 2017

Tarun Dutta
Director
DIN : 07867786

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	(Amount in ₹)	
	As at 31.03.2017	As at 31.03.2016
A Cash flow from Operating Activities		
Loss Before Tax and Extraordinary Items	(68,94,54,513)	(1,85,04,33,111)
Add / (Deduct) Adjustment for :		
Depreciation and amortisation expenses	14,63,16,162	19,88,15,634
Financial cost	69,29,63,561	62,20,39,287
Rent from Property	(2,03,19,518)	(4,41,26,365)
Interest Earned	(2,61,95,325)	(4,72,00,951)
(Profit)/ Loss on Sale of Fixed Assets	(10,42,16,321)	9,13,132
Operating Profit/ (Loss) Before Working Capital Changes	(9,05,953)	(1,11,99,92,374)
Changes in Working Capital :		
Trade and Other Receivables	(27,90,93,674)	34,81,47,259
Inventories	14,62,92,652	4,97,35,031
Trade and other Payables	(63,17,87,450)	69,44,67,974
Cash Generated From / (used in) Operations	(76,54,94,425)	(2,76,42,110)
Direct Taxes (Paid)	(2,50,99,023)	(14,83,21,766)
Prior year adjustments	(74,76,453)	(6,000)
Net Cash Flow from / (used in) Operating Activities	(79,80,69,901)	(17,59,69,876)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,62,27,750)	(5,16,48,151)
Proceeds from Sale of Fixed Assets	29,09,85,663	30,65,08,084
Investment in subsidiary	(99,41,110)	(5,55,01,880)
Advances from/ (to) Subsidiary companies	1,51,20,447	(8,77,52,846)
Interest Earned	2,61,95,325	4,72,00,951
Rent from Property	2,03,19,518	4,41,26,365
Net Cash From/ (used in) Investing Activities	32,64,52,092	20,29,32,523
C. Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares	-	30,15,00,000
Proceeds from / (Repayment of) Long Term Borrowings	(62,31,38,132)	4,19,98,471
Repayment of Unsecured Borrowings	(3,55,74,000)	(2,33,81,000)
Proceeds from Short Term Borrowings	1,53,55,25,818	20,30,37,724
Financial Cost	(69,29,63,561)	(62,20,39,287)
Net Cash flow from / (used in) Financing Activities	18,38,50,125	(9,88,84,092)
Net Decrease in Cash and Cash Equivalents	(28,77,67,685)	(7,19,21,445)
Opening Balance of Cash and Cash Equivalents	56,88,83,004	64,08,04,449
Closing Balance of Cash and Cash Equivalents	28,11,15,319	56,88,83,004

As per our report of even date

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

For and on behalf of the Board

Vijay Kumar H. Modi
Company Secretary & Legal

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Dilip M.Jani
Proprietor
Membership No. 017259

Anil S. Korpe
Chief financial Officer

Dinesh H. Valecha
Director
DIN : 00012945

Place : Mumbai.
Date : 16th August, 2017

Tarun Dutta
Director
DIN : 07867786

SIGNIFICANT ACCOUNTING POLICIES

A Corporate Profile

Valecha Engineering Limited ("the Company") is engaged in Construction of high end infrastructural engineering projects such as irrigation dams, roads, bridges, highways, power projects, railways, tunnels, airports, reservoirs, piling etc. The Company is regarded as one of the dominant players for pile foundation by Public Sectors, Private Sectors and MNCs. The Company has created some of the most prominent civil engineering infrastructure landmarks.

B Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention except for the certain fixed assets which are carried at revalued amounts.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

C Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

D 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.

E Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

F Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in the Accounting Standards (AS-3) on Cash Flow Statement and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consist of cash on hand and balance with banks.

G Revenue recognition

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. Site development including initial expenses (shown in Project in progress) thereon is charged to the projects from the date of its revenue recognition.
- vi. Progress payments received are adjusted against amounts receivable from customers in respect of the contract of work performed.
- vii. 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.
- viii. 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 Trade Receivables/ Loans and Advances:

Trade Receivables/ Loans and Advances are stated net of provision for identifies doubtful debts/advances. Trade Receivables and Loans and Advances has been taken at the reconciled amount for the parties from which the balance confirmation was received and for the rest balances are taken as per book balance. As and when the confirmations with respect to the balances will be received the reconciliations will be done and the adjustments, if any, on this account will be made. In the opinion of the management , subject to reconciliations referred above, the debts and Loans and advances to the extent as stated are considered good in the Balance Sheet are fully recoverable.

I Other income

All other Incomes accounted on accrual basis.

J 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.

K 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.

L Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are affected. Exchange differences arising on settlement of these transactions are recognized in the Statement of Profit and Loss.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the Balance Sheet and resulting exchange difference is recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

M Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties (Office Premises in Valecha Chambers) are carried at cost. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

N Employees' 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 gratuity benefit scheme is a defined benefit plan. The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The Company's Liability towards Gratuity are determined using the projected credit method. Actual gain and losses are recognised immediately in the Statement of Profit and Loss account. 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 Company does not have scheme of leave encashment.

O Borrowing Cost

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

P Segment reporting

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

Q 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.

R Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any 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.

S Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingeng Liabilities are not recognized but disclosed in notes forming part of the financial statements. Contingent assets are neither recognised nor recorded in financial statements.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
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		
2,25,30,025 (Previous year 2,25,30,025) Equity Shares of ₹10/- each fully paid-up.	22,53,00,250	22,53,00,250
	22,53,00,250	22,53,00,250

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	₹	No. of Shares held	₹
Equity Shares :				
Shares outstanding at the beginning of the year	2,25,30,025	22,53,00,250	1,95,30,025	19,53,00,250
Add : Shares issued during the year	-	-	30,00,000	3,00,00,000
Shares outstanding at the end of the year	2,25,30,025	22,53,00,250	2,25,30,025	22,53,00,250

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 31.03.2017		As at 31.03.2016	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Valecha Investment Pvt. Ltd.	69,33,249	30.77	69,33,249	30.77
Hypnos Fund Limited	20,00,000	8.88	20,00,000	8.88

	As at 31.03.2017		As at 31.03.2016	
2 RESERVES AND SURPLUS				
a. Securities Premium Account				
Balance as per last Balance Sheet	1,11,24,37,635		84,09,37,635	
Add : Premium on shares issued during the year	-	1,11,24,37,635	27,15,00,000	1,11,24,37,635
b. Revaluation Reserve:				
Balance as per last Balance Sheet	56,00,730		61,27,795	
Less: Depreciation on Revalued Assets	-		5,27,065	
Less: Transferred to Surplus in Statement of Profit and Loss (Refer Note below)	56,00,730	-	-	56,00,730
c. General Reserve:				
Balance as per last Balance-Sheet	43,89,80,873		43,89,80,873	
Add: Transfer from surplus in Statement of Profit and Loss	-	43,89,80,873	-	43,89,80,873
d. Surplus / (Deficit) in Statement of Profit and Loss :				
Balance as per last Balance Sheet	(66,16,89,466)		1,15,11,18,723	
Add : Profit / (Loss) for the Year	(66,18,94,994)		(1,81,28,02,189)	
Less : Prior Year Adjustments for Taxes & Others	74,76,454		6,000	
Add : Transferred from Revaluation Reserves	56,00,730	(1,32,54,60,184)	-	(66,16,89,466)
		22,59,58,324		89,53,29,772

Note: The Balance in Revaluation reserve of ₹ 56,00,730 is transferred to Surplus in Statement of Profit and Loss on account of sale of remaining fixed asset which was revalued in 1992.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
3 LONG TERM BORROWINGS		
a. Secured		
Term Loans :		
i. From Banks	16,15,01,281	75,24,29,196
ii. From Financial Institutions	12,81,69,222	29,76,56,710
b. Unsecured		
i. Fixed Deposits	-	10,51,75,000
	28,96,70,503	1,15,52,60,906

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

	Nature of Security	Terms of Repayment
1)	Term Loan with the outstanding balance of ₹ 11.28 lakhs (March 2016 : ₹ 175.55 lakhs) 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
2)	Term Loan with the outstanding balance of ₹ 1.15 Lakhs (March 2016 : ₹ 5.26 lakhs) 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.
3)	Term Loan fully paid during the year (March 2016 : ₹ 2.00 lakhs) it was 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.
4)	Term Loan with the outstanding balance of ₹ 0.50 Lakhs (March 2016 : ₹ 2.44 lakhs) 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.
5)	Term Loan fully paid during the year (March 2016 : ₹ 8.02 lakhs) it was 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.
6)	Term Loan with the outstanding balance of ₹ 4,267.04 lakhs (March 2016 : ₹ 3,712.16 lakhs) is secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 9 quarterly installments beginning from March 2014 with last installment due on March 2016 Rate of interest at 11.70% p.a.
7)	Corporate Loan with the outstanding balance of ₹ 1,367.24 lakhs (March 2016 : ₹ 1,233.68 lakhs) 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 Instalments with the moratorium period of Six months. Installments beginning from September 2014. The last installment due on December 2016 Rate of interest at 13.10% p.a
8)	Term Loan with the outstanding balance of ₹ 6,929.30 lakhs (March 2016 : ₹ 6,161.27 lakhs) is secured by first & exclusive charge on the project receivables for EPC from Rapti Nahar Nirman Mandal-II Irrigation Depart, Basti, Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 6 quarterly installments beginning from May 2016 and last installment due on August 2017. Rate of interest at 12.25% p.a.
9)	Term Loan with the outstanding balance of ₹ 256.03 lakhs (March 2016 : ₹ 215.30 lakhs) 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
10)	Term Loan with the outstanding balance of ₹ 1,500.40 lakhs (March 2016 : ₹ 4,201.21 lakhs) 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
11)	Term Loan with the outstanding balance of ₹ 1.25 lakhs (March 2016 : ₹ 4.27 lakhs) 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
12)	Term Loan with the outstanding balance of ₹ 9.92 lakhs (March 2016 : ₹ 33.81 lakhs) 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
13)	Term Loan with the outstanding balance of ₹ 7.31 lakhs (March 2016 : ₹ 24.92 lakhs) 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
14)	Term Loan with the outstanding balance of ₹ 3.11 lakhs (March 2016 : ₹ 10.60 lakhs) 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

	Nature of Security	Terms of Repayment
15)	Term Loan with the outstanding balance of ₹ 47.49 lakhs (March 2016 : ₹ 72.80 lakhs) 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
16)	Term Loan with the outstanding balance of ₹ 2,376.16 Lakhs (March 2016 : ₹ 3,677.22 lakhs) is secured by exclusive charge on the specific Machineries.	Repayable in 60 monthly installments commencing from Oct 2015 and the last installment due in Sept. 2020. Rate of Interest at 14.00 % p.a
17)	Term Loan fully paid during the year (March 2016: ₹ 3,500.00 lakh) it was secured Against Bank Guarantees	Repayable in single payment on or before 07.08.2016 Rate of Interest at 13.75 % p.a
18)	Term Loan with the outstanding balance of ₹ 298.71 Lakhs (March 2016 : ₹ 267.75 lakhs) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Oct 2015 and the last installment due in Sept 2018. Rate of Interest at 14.00% p.a

3.2 The Company has defaulted in repayment of loans and interest in respect of the following : (Amount in ₹ Lakhs)

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Term Loan				
Central Bank of India	3,598.08	668.96	4,267.04	30 to 549 Days
Syndicate Bank	3,196.00	1,112.94	4,308.94	30 to 456 Days
Yes Bank	-	14.23	14.23	1 to 31 Days
State Bank of Bikaner & Jaipur	1,208.30	158.94	1,367.24	30 to 366 Days
Machinery Loan				
ICICI Bank Ltd	6.31	11.28	17.59	1 to 30Days
Vehicle Loan				
Axis Bank Ltd	1.64	0.01	1.65	1 to 30Days
Fixed Deposits from Public	3,468.26	293.58	3,761.84	1 to 943 Days
Total	11,478.59	2,259.95	13,738.53	

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
4 DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Balance as per Last Balance Sheet	16,81,85,601	20,58,16,523
Deferred tax Charged during the Year :-		
a Difference between book depreciation and tax depreciation during the year	(2,75,59,519)	(3,76,30,922)
Deferred Tax Liabilities / (Assets)	14,06,26,082	16,81,85,601
5 OTHER LONG TERM LIABILITIES		
a. Advance from Contractees	12,49,67,424	36,94,82,760
b. Non Current Liabilities - Trade	87,59,68,626	83,56,45,467
c. Non Current Liabilities - Others	69,76,27,830	1,05,60,75,205
	1,69,85,63,880	2,26,12,03,432
6 SHORT TERM BORROWINGS		
From Banks - Secured :		
a. Working Capital Loans - Cash Credit Limits	1,83,60,96,240	72,98,70,880
b. Short Term Facilities	52,43,12,398	33,09,64,640
From Others - Unsecured :		
a. Other Short Term Loans	1,25,00,000	6,16,00,000
b. Related Parties	29,31,57,370	81,04,670
	2,66,60,66,008	1,13,05,40,190

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

6.1 The Company has defaulted in repayment of working capital facilities in respect of the following :

(Amount in ₹ Lakh)

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Working Capital Facilities				
State Bank of India	7,900.78	1,652.56	9,553.34	30 to 368Days
Axis Bank Ltd	3,283.50	494.22	3,777.72	30 to 366Days
Canara Bank	1,687.95	169.90	1,857.85	30 to 538Days
Total	12,872.23	2,316.68	15,188.91	

- Working capital loans are secured by hypothecation of book debts, current assets, unencumbered plant & machinery and specific immovable properties as per the sanction terms.
- Short Term Facilities from Banks are secured against the securities offered under the working capital loans.

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
7 TRADE PAYABLES		
Dues of Micro, Small and Medium Enterprises	2,77,31,731	2,84,31,731
Others	1,68,92,90,325	1,62,89,54,741
	1,71,70,22,056	1,65,73,86,472

7.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under :

Particulars :	Year Ended 31.03.2017	Year Ended 31.03.2016
Principal amount due and remaining unpaid	2,77,31,731	2,84,31,731
Interest due on above and the unpaid interest *	73,25,603	73,25,603
Interest paid	-	-
Payment made beyond the appointed day during the year	7,00,000	-
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	-	-
	3,57,57,334	3,57,57,334

* Provision for Interest is not made in the Books of account as same is in dispute.

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
8 OTHER CURRENT LIABILITIES		
a. Current Maturities of Long Term Debts (Refer Note No. 3.1 and 31)	1,41,80,17,934	1,28,07,40,663
b. Current Maturities of Advance from Contractees	18,08,21,751	50,65,00,327
c. Current Maturities of Advance from Contractees - Related Parties	36,63,55,734	36,63,55,734
d. Current Maturities of Fixed Deposits	34,68,26,000	27,72,25,000
e. Unclaimed Dividends *	13,13,906	15,15,024
f. Statutory Dues	21,47,89,820	19,56,57,033
g. Secured Advance from Contractees	1,61,48,757	3,89,66,934
h. Others	63,17,98,535	43,10,16,933
	3,17,60,72,437	3,09,79,77,648

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

9. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				ACCUMALATED DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Addition	Deduction	As at 31.03.2017	As at 01.04.2016	For the Year	Adjustment	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
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	-	2,19,21,360	1,45,43,443	1,20,09,530	2,51,938	85,51,369	37,10,099	1,08,33,344	2,44,55,273
Plant & Machinery	1,46,47,74,418	25,22,490	44,99,95,864	1,01,73,01,044	78,49,22,962	13,53,70,959	28,19,52,642	63,83,41,279	37,89,59,765	67,98,51,456
Furniture and Fixtures	6,59,57,405	11,75,632	-	6,71,33,037	6,05,56,941	25,37,918	-	6,30,94,859	40,38,178	54,00,464
Vehicles	15,81,50,403	1,25,29,628	1,26,95,751	15,79,84,280	12,66,69,951	81,55,347	73,39,622	12,74,85,676	3,04,98,604	3,14,80,452
Total	1,76,56,10,243	1,62,27,750	48,46,12,975	1,29,72,25,018	98,41,59,384	14,63,16,162	29,78,43,633	83,26,31,913	46,45,93,105	78,14,50,859
Previous Year	2,22,20,83,961	5,16,48,151	50,81,21,869	1,76,56,10,243	98,55,17,338	19,93,42,699	20,07,00,653	98,41,59,384	78,14,50,859	

10 NON CURRENT INVESTMENTS :

(Amount in ₹)

PARTICULARS	As at 31-03-2017		As at 31-03-2016	
	Qty. Nos.	Book value Rupees	Qty. Nos.	Book value Rupees
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
Bhubaneswar Express Ways Pvt Ltd (Face Value ₹10/- each)	2,68,76,200	26,87,62,000	2,68,76,200	26,87,62,000
Valecha Reality Ltd (Face Value ₹10/- each)	24,950	2,49,500	24,950	2,49,500
Aryavrat Tollways Pvt. Ltd. - Voting Shares (Face Value ₹10/- each)	4,900	49,000	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
		27,02,50,200		27,02,50,200
B. INVESTMENT IN SUBSIDIARY COMPANIES : UNQUOTED & FULLY PAID				
Valecha Infrastructure Ltd (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 Dh 1,50,000 each)	1	26,43,645	1	27,02,535
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	3,98,35,000	39,83,50,000
Valecha Kachchh Toll Roads Ltd. (Promotor's Contribution)		58,45,00,000	-	57,45,00,000
		1,00,40,38,645		99,40,97,535
C. INVESTMENT IN BUILDINGS		8,02,78,451		8,02,78,451
Abstract :				
A. Equity Shares : Unquoted		27,02,50,200		27,02,50,200
B. Investment In Subsidiary Companies : Unquoted		1,00,40,38,645		99,40,97,535
C. Investment in Buildings		8,02,78,451		8,02,78,451
Grand Total		1,35,45,67,296		1,34,46,26,186

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	As at 31.03.2017		As at 31.03.2016	
11 LONG TERM LOANS & ADVANCES				
Unsecured and considered good :				
Security Deposit		12,02,956		2,01,84,759
		12,02,956		2,01,84,759
12 Inventories (At lower of cost or net realisable value) :				
Stock of Materials		40,63,71,566		55,26,64,218
		40,63,71,566		55,26,64,218
13 Trade Receivables :				
a. Trade receivables outstanding for a period exceeding six months. :				
Unsecured and considered good (Refer Note below)		2,21,55,99,447		1,09,31,17,543
b. Trade receivables outstanding for a period less than six months :				
Unsecured and considered good		38,14,35,809		1,46,75,98,228
		2,59,70,35,256		2,56,07,15,771
Note: ₹ 47,60,14,350 (Previous year ₹ 33,36,62,355) pertains to Related Parties				
14 Cash and Cash Equivalents :				
a. Cash on Hand (Refer Note No. 32)		3,86,451		78,35,844
b. Bank Balances				
(i) Current Accounts		15,03,04,080		12,97,28,363
(ii) Unclaimed Dividend Accounts		13,66,387		15,67,505
(iii) In Deposit Accounts		12,90,58,401		42,97,51,292
(Lien against Bank Guarantees, Letter of Credits and EMDs.)				
		28,11,15,319		56,88,83,004
15 Short Term Loans & Advances :				
(Unsecured and considered good)				
a. Loans and Advances to Subsidiary Companies		1,67,33,75,132		1,68,84,95,578
b. Loans and Advances to Related Parties		8,50,66,186		8,50,86,895
c. Loans and Advances to Employees		97,38,608		2,10,65,842
d. Duties & Taxes Recoverable		31,61,51,620		40,02,83,011
e. Advances Recoverable in Cash or in kind or for value to be received		1,72,68,70,957		1,42,10,14,812
f. Deposits with Contractees & Others		87,92,68,307		80,86,33,530
g. Advance Income Tax Paid	34,05,49,995		39,29,50,972	
Less : Provisions for Income Tax	-	34,05,49,995	7,75,00,000	31,54,50,972
		5,03,10,20,805		4,74,00,30,640
16 Other Current Assets :				
Projects in Progress		33,73,237		2,26,28,834
		33,73,237		2,26,28,834

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	Year Ended 31.03.2017		Year Ended 31.03.2016	
17 REVENUE FROM OPERATIONS				
Revenue from Operation		4,10,92,86,044		7,08,33,26,891
		4,10,92,86,044		7,08,33,26,891
18 OTHER INCOME				
a. Interest Income :				
Interest on Fixed Deposits	1,66,69,595		3,44,00,550	
Interest from Related Parties	-		71,10,494	
Interest from Others	95,25,730	2,61,95,325	56,89,907	4,72,00,951
b. Lease Rental Income		2,03,19,518		4,41,26,365
c. Foreign Exchange Fluctuation Gain		-		1,17,76,559
d. Sundry balances written back		7,74,04,127		-
e. Profit on Sale of Fixed Assets		10,42,16,321		-
f. Miscellaneous Income		2,02,99,538		1,88,06,320
		24,84,34,829		12,19,10,195
19 CONSTRUCTION EXPENSES				
a. Materials Purchase		72,06,22,586		1,24,43,38,588
b. Sub-Contracting and Transportation Expenses.		2,11,61,44,862		5,04,28,93,226
c. Power and Fuel		5,23,93,035		6,97,43,254
d. Value Added Tax, Service Tax & Labour Cess		12,97,41,793		13,42,33,216
e. Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		10,91,23,182		13,54,71,482
f. Insurance		52,83,444		1,29,84,208
g. Site Expenses		54,85,85,172		1,06,73,37,163
		3,68,18,94,074		7,70,70,01,137
h. Changes in Inventories				
Opening Stock	55,26,64,218		51,24,88,350	
Less : Closing Stock	40,63,71,566	14,62,92,652	55,26,64,218	(4,01,75,868)
		3,82,81,86,726		7,66,68,25,269
20 EMPLOYEE BENEFIT EXPENSES				
a. Salaries, Wages, and Bonus		15,39,90,600		20,79,95,999
b. Contribution to Provident Fund, Gratuity and other funds		1,25,41,578		1,24,63,451
c. Welfare Expenses		8,84,600		8,27,994
		16,74,16,778		22,12,87,444

Employees' Retirement and other Benefits :

Defined contribution Plan : The Company's contribution to provident fund ₹ 2,01,71,669 (Previous year ₹ 1,10,83,851) [inclusive of ₹ 28,21,548 (Previous year ₹ 3,12,000) related to Remuneration to Directors] is charged to Statement of Profit and Loss.

Defined benefit plan : The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The Company's Liability towards Gratuity are determined using the projected credit method. Actual gain and losses are recognised immediately in the Statement of Profit and 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2017.

Particulars	(Amount in ₹)	
	2016-17	2015-16
Changes in Present value of Obligations		
Present value of Obligations as at beginning of year	1,43,32,949	1,79,10,986
Interest Cost	11,46,636	14,32,879
Current Service Cost	13,53,662	17,42,373
Benefits paid	(42,11,165)	(61,61,370)
Actuarial (Gain)/Loss on Obligations	(68,55,636)	(5,91,919)
Present value of obligations as at end of year	57,66,446	1,43,32,949
Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	78,90,488	1,27,28,508
Expected return on plan assets	5,96,993	10,30,532
Contributions	8,59,226	2,92,818
Benefits paid	(42,11,165)	(61,61,370)
Actuarial (Gain)/Loss on Plan assets	-	-
Fair value of plan assets at the end of year	51,35,542	78,90,488
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	57,66,446	1,43,32,949
Fair value of plan assets as at the end of the year	51,35,542	78,90,488
Funded status	(6,30,904)	(64,42,461)
Liability / (Assets) recognised in balance sheet	6,30,904	64,42,461
Expenses Recognised in statement of Profit and Loss		
Current Service Cost	13,53,662	17,42,373
Interest Cost	11,46,636	14,32,879
Expected return on plan assets	(5,96,993)	(10,30,532)
Net Actuarial (Gain)/Loss recognized in the year	(68,55,636)	(5,91,919)
Expenses /(Gain) recognized in statement of Profit and Loss	(49,52,331)	15,52,801

	(Amount in ₹)	
	Year Ended 31.03.2017	Year Ended 31.03.2016
21 FINANCIAL COST :		
Interest Expense		
a. Banks (Refer note no.31)	55,07,09,541	32,00,75,049
b. Financial Institutions	7,17,38,429	15,77,51,758
c. Others		
Related Parties	-	1,18,677
Others Parties	7,05,15,591	14,40,93,803
	69,29,63,561	62,20,39,287
22 DEPRECIATION & AMORTISATION EXPENSE		
Depreciation & Amortisation	14,63,16,162	19,93,42,699
Less : Depreciation on Revalued assets charged to Revaluation Reserves (Refer Note no. 2)	-	5,27,065
	14,63,16,162	19,88,15,634

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017
(Amount in ₹)

	Year Ended 31.03.2017		Year Ended 31.03.2016	
23 OTHER EXPENSES				
a. Rates and taxes		14,74,385		38,72,824
b. Printing and stationery		2,24,316		5,80,689
c. Telephone and Postage		15,09,085		17,32,400
d. Advertisement		1,16,669		1,50,390
e. Traveling and conveyance		20,13,366		6,57,617
f. Business promotion		17,32,499		7,75,924
g. Electricity charges		15,47,365		14,92,148
h. Professional Fees		1,57,78,351		1,78,14,209
l. Office Maintenance		1,13,55,316		77,43,614
j. Tender Expenses		9,77,734		13,97,800
k. Bank charges		60,44,410		1,32,63,737
l. Directors Remuneration		* 2,56,65,817		35,80,634
m. Foreign Exchange Fluctuations		45,60,542		-
n. Payments to Auditor		24,66,220		25,36,297
o. General expenses		16,27,615		15,74,842
p. Loss on sale of assets		-		9,13,132
q. Irrecoverable debts written off		13,51,98,469		28,86,16,306
		21,22,92,159		34,67,02,563
*includes ₹ 1,25,47,366/- payable for F.Y. 2015-16 provided in current year.				
23.1 Payment to Auditor				
Audit Fees		20,00,000		20,00,000
Certification and Other Services including Service Tax		4,66,220		5,36,297
		24,66,220		25,36,297
24 Earning Per Share				
1 Net Profit/ (Loss) After Tax (With Extraordinary Income)		(66,18,94,994)		(1,81,28,02,189)
Less : Extraordinary Income		-		-
2 Net Profit / (Loss)After Tax & Extraordinary Income		(66,18,94,994)		(1,81,28,02,189)
3 Weighted average Number of shares for Basic EPS (Numbers)		2,25,30,025		2,22,80,025
4 Weighted average Number of shares for Diluted EPS (Numbers)		2,25,30,025		2,22,80,025
5 Basic & Diluted Earning Per share (Equity Shares of ₹ 10/- each)		(29.38)		(81.36)
25 Expenditure in Foreign Currency				
				(Amount in ₹)
Particulars		Year Ended 31.03.2017		Year Ended 31.03.2016
i. C.I.F. Value of Imports				
(a) Capital Goods		-		-
(b) Components & Spare Parts		-		-
ii. Technical & Engineering Fees		-		-
iii. Travelling & Other Expenses		1,00,000		-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017**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
(A) Particulars of Subsidiary, Associate Companies and Enterprises over which KMPs having significant influence	
1 Valecha Infrastructure Ltd.	Subsidiary Company
2 Valecha International (FZE)	Subsidiary Company
3 Professional Realtors Pvt. Ltd.	Subsidiary Company
4 Valecha Kachchh Toll Roads Ltd.	Subsidiary Company
5 Valecha LM Toll Pvt. Ltd.	Step-Down Subsidiary Company
6 Valecha Badwani Sendhawa Tollways Ltd.	Step-Down Subsidiary Company
7 Valecha Reality Ltd.	Associate Company
8 Bhubaneshwar Express Ways Pvt. Ltd.	Associate Company
9 Aryavrat Projects & Developers Pvt. Ltd.	Associate Company
10 Gopaldas Vasudev Construction Pvt. Ltd.	Enterprise over which KMPs having significant influence
11 Valecha Investment Pvt. Ltd	Associate Company
12 Valecha Power Ltd.	Enterprise over which KMPs having significant influence
13 Valecha Gulf Contracting & Foundations L.L.C.	Enterprise over which KMPs having significant influence
(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 - Transtonnelstroy (Joint Venture)	Joint Venture Member
5 KSSIIPL - VEL (JV)	Joint Venture Member
6 Valecha - VKJ (JV)	Joint Venture Member
7 Valecha - Shivalaya - Intradel (JV)	Joint Venture Member
(C) Key Management Personnel (KMP)	
1 Arvind Thakkar	Chairman
2 Jagdish K. Valecha	Vice-Chairman-cum Managing Director
3 Dinesh H. Valecha	Whole Time Director
4 Umesh H. Valecha	Whole Time Director (upto 10-08-2016)
5 Kavita Valecha Sharma	Company Secretary (upto 15-02-2016)
6 Vijay Kumar H. Modi	Company Secretary & Legal (w.e.f. 01-10-2016)
7 Anil S. Korpe	Chief Financial Officer (w.e.f. 06-03-2017)
(D) Others	
1 Karan Jagdish Valecha	Relative of Key Management Personnel
2 Kapil Jagdish Valecha	Relative of Key Management Personnel

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

	(Amount in ₹)	
	2016-17	2015-16
(E) Transactions with Associate Companies /Enterprises over which KMPs having significant influence		
1 Deposit / Loans / Repayment received during the year	32,30,28,232	2,51,20,000
2 Deposit / Loans given / Repaid during the year	3,79,54,823	2,75,73,178
3 Interest Received	-	71,10,494
4 Interest Paid	-	1,18,677
5 Outstanding Balance - Amount Payable	(29,31,57,370)	(81,04,670)
6 Outstanding Balance - Amount Receivable	8,50,66,186	8,50,86,895
(F) Transactions with Subsidiary Companies		
1 Promotor Contribution / Application Money	1,00,00,000	6,08,00,000
2 Deposit / Loans / Repayment received during the year	6,77,36,676	44,43,402
3 Deposit / Loans given / Repaid during the year	5,26,16,230	9,21,96,248
4 Outstanding Balance - Amount Receivable	1,67,33,75,132	1,68,84,95,578

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	2016-17	2015-16
(G) Transactions with Joint Ventures		
1 Sales	31,26,60,373	39,06,95,174
2 Advance received during the year	-	1,40,07,000
3 Advance repaid during the year	-	4,09,00,000
4 Outstanding Balance - Amount Receivables	47,60,14,350	33,36,62,355
5 Outstanding Balance - Amount Payables	36,63,55,734	36,63,55,734
(H) Transactions with Persons referred to in Item (C) above		
1 Remuneration paid during the year	2,64,99,154	53,52,178
2 Sitting Fees	10,000	10,000
(I) Transactions with Other Persons		
1 Remuneration paid during the year	43,11,720	42,73,375

27 Disclosure required by schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 :

(a) Loans given

(Amount in ₹)

Loans given to Subsidiaries	Year ended 31.03.2017	Maximum Balance during the year	Year ended 31.03.2016	Maximum Balance during the year
Valecha Infrastructure Ltd.	1,22,72,34,461	1,24,51,48,708	1,24,35,44,220	1,24,31,56,946
Valecha International (FZE)	20,20,84,717	20,20,84,717	20,65,86,369	20,65,86,369
Professional Realtors Pvt. Ltd.	22,77,881	22,77,881	22,74,581	22,74,581
Valecha Kachchh Toll Roads Ltd.	(2,45,40,813)	(2,45,40,813)	(1,03,49,694)	4,75,46,810
Valecha LM Toll Pvt. Ltd.	23,35,68,826	23,35,68,826	21,36,90,830	21,36,90,831
Valecha Badwani Sendhawa Tollways Ltd.	3,27,50,059	3,27,50,059	3,27,49,272	3,28,49,025
Total	1,67,33,75,132	1,69,12,89,378	1,68,84,95,578	1,74,61,04,562

Loans given to Associate Companies / Enterprises over which KMPs having significant influence	Year ended 31.03.2017	Maximum Balance during the year	Year ended 31.03.2016	Maximum Balance during the year
Gopaldas Vasudev Construction Pvt. Ltd.	(29,31,57,370)	(29,31,57,370)	(81,04,670)	45,64,618
Valecha Investment Pvt. Ltd.	7,27,67,404	7,27,95,636	7,27,94,713	8,25,94,713
Valecha Gulf Contracting & Foundation L.L.C.	93,89,313	93,89,313	93,89,313	93,89,313
Valecha Power Ltd.	1,14,641	1,14,641	1,14,641	1,14,641
Valecha Reality Ltd.	27,94,828	27,94,828	27,88,228	27,88,227
Total	(20,80,91,184)	(20,80,62,952)	7,69,82,225	9,94,51,512

All above loans have been given for business purpose

(b) Investments are shown under respective head. (Refer Note no.10)

(c) Corporate Guarantees given

(Amount in ₹ Lakhs)

Name of the Company	2016-17	2015-16
Valecha LM Toll Pvt. Ltd.	19,888	20,310
Valecha Badwani Sendhawa Tollways Ltd.	5,514	5,893
Valecha Kachchh Toll Roads Ltd.	37,532	37,532
Total	62,934	63,735

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017**28 Contingent Liabilities**

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

(Amount in ₹ Lakhs)

Sr. No.	Particulars	2016-17		2015-16	
1	Outstanding Letter of Credits / Bank Guarantee		14,824.57		30,607.47
2	Dispute with Suppliers		466.03		442.54
3	Corporate Guarantees		62,934.00		63,735.00
4	Counter Guarantees	60,177.00		60,788.00	
	Less : Corporate Guarantees of Minority Share Holders in favour of the Company	716.82	59,460.18	716.82	60,071.18
5	Late payment and over limit charges on credit card dues		588.58		-

29 The accumulated losses for the year ended 31st March, 2017 have resulted in Company's erosion of more than 50 percent of its peak net worth during the immediately preceding five financial years. However, the management is of the opinion that subject to approval of Master Restructuring Agreement by banks, the Company will be able to return to profitability over the next few years and may be in position to repay Loans and pay statutory dues. Hence, the financial statements have been prepared assuming that the Company and its subsidiaries will continue as a going concern. No adjustments are hence made in the financial statements that might result from the outcome of this uncertainty.

30 CSR Expenditure :

Corporate Social Responsibility (CSR) - In view of losses incurred, expenditure on CSR is not applicable for the year ended as at 31st March, 2017. In the Previous year too expenditure on CSR was not applicable.

31 A few banks have classified the Company's Bank Accounts as Non Performing Assets (NPAs). They have reversed the interest charged to the Company, but not realised and stopped charging further interest and transferred these amounts to "Memorandum Account" as per the Circular (as amended) by the Reserve Bank of India. The Company, on prudential basis, has provided interest of ₹ 4,047.13 Lakhs payable on such NPA Bank Accounts in Books of Account.

32 The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 is Provided in the table below:

(Amount in ₹ Lakhs)

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	50.05	94.71	144.76
Add: Permitted receipts	-	31.14	31.14
Less: Permitted Payments	10.21	32.57	42.78
Less: Amount deposited In Banks	39.84	-	39.84
Closing cash in hand as on 30.12.2016	-	93.28	93.28

33 The Company has not provided for interest on payment of delayed statutory dues. The same will be quantified and recognised at the time of actual payment. However the Management does not expect any material impact of such interest.

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

For and on behalf of the Board

Vijay Kumar H. Modi
Company Secretary & Legal

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Anil S. Korpe
Chief financial Officer

Dinesh H. Valecha
Director
DIN : 00012945

Tarun Dutta
Director
DIN : 07867786

Place : Mumbai.
Date : 16th August, 2017

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, 2017)

(Amount in ₹)

Sr. No.	Particulars	Valecha Infrastructure Ltd	Valecha LM Toll Pvt Ltd.	Valecha Badwani Sendhwa Tollways 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	500,000	100,000,000	50,000,000	685,000,000	2,643,645	100,000
3	Reserves	(1,091,328,021)	(825,447,761)	(161,256,505)	(1,130,907,307)	-	(23,233)
4	Total assets	1,128,969,538	2,145,504,590	674,617,725	4,575,980,808	207,924,970	2,377,784
5	Total Liabilities	1,128,969,538	2,145,504,590	674,617,725	4,575,980,808	207,924,970	2,377,784
6	Investment except in the case of investment in subsidiary	19,103,639	-	-	-	-	-
7	Revenue from Operations	-	244,439,156	117,234,455	52,153,758	-	-
8	Other Income	350,000	237,752	88,061	195,177	-	-
9	Profit before Taxation	(1,124,528,200)	(149,771,422)	(30,165,861)	(736,620,821)	-	-
10	Provision for tax - (Current Tax)	-	-	-	-	-	-
11	Provision for tax - (Deferred Tax)	-	(7,751,523)	(423,677)	-	-	-
12	Profit after Tax	(1,124,528,200)	(142,019,899)	(29,742,184)	(736,620,821)	-	-
13	% of Share holding	100%	74%	74%	58%	100%	100%

Notes

- 1 Please refer to consolidated financial statements and notes appearing there on.
- 2 Investment in Valecha international FZE 1,50,000 AED. 1 AED= INR.17.6243 as on 31.03.2017
- 3 The members if they desire, may write to the company at the Registered Office situated at Valecha Chambers, 4th floor, Andheri New Link Road, Andheri (W), Mumbai-53 to obtain a copy of the financials of its subsidiary companies.
- 4 The annual accounts of the subsidiary companies can be inspected by the members at the Registered Office of the company.

Independent Auditor's Report

To The Members of Valecha Engineering Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Valecha Engineering Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2017, 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 (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements
6. We believe that the audit evidence obtained by us in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion:

7. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of financial information of subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

8. We draw attention to the following matters in the notes to consolidated financial statements:
 - a) Holding company:
 - (i) Note no. 29 in the Audited Financial Statements indicates that the Company has incurred Substantial losses from its operations during the current and previous year which has eroded its net-worth substantially. The Company has also incurred net operating cash loss during the current year. Further, the Company has defaulted in repayment of borrowing and payment of statutory dues, and few banks have categorised the Company's bank accounts as "Non-performing Assets". These conditions, along with other matters set forth in Note no.29 in the consolidated financial statements indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
 - (ii) The investment in Valecha Infrastructure Limited and Valecha Kuchchh Toll Roads Limited, subsidiaries of the Holding Company, whose net worth has been fully eroded, is carried at Rs.9,833.50 lakhs in the Balance Sheet as at March 31, 2017. The investment in Valecha International (FZE), which has no operations for several years, is carried at Rs.26.44 lakhs as at March 31, 2017. Further, loans and advances given to these subsidiaries aggregating to Rs.14,293.19 lakhs are outstanding as at March 31, 2017. However the Management does not expect any material impact affecting the current year's financial statements on account of provision for diminution in the value of investments and recoverability of loans and advances. Accordingly, no provision has been made in the financial statements.
 - (iii) We did not audit the books of account due to non-availability of supporting documents of three (3) project sites whose statements reflect total assets of Rs. 5,276.49 lakhs (5.20% of total assets) as on March 31, 2017, total revenue of Rs.738.87 lakhs (1.70% of total revenue) and total profit of Rs. 4.99 lakhs (-% of total loss) for the year ended on that date.
 - (iv) Note no. H in the Audited Financial statements which indicates that, balances of certain trade receivables and advances are subject to

confirmation and reconciliation. However, the Management does not expect any material variation affecting the current year's financial statements on account of such reconciliation/ adjustments. Accordingly, no provision has been made in the financial statements.

b) **Subsidiary Company (Valecha Infrastructure Limited):**

- (i) The investment in Valecha LM Toll Private Limited and Valecha Badwani Sendhwa Tollways Limited, subsidiaries of the Company whose net worth has been fully eroded, is carried at Rs. 6,321 Lakhs in the Balance Sheet as at March 31, 2017. Further Loans and Advances given to these subsidiaries amounting to Rs. 1.36 Lakhs are outstanding as at March 31, 2017. However, the management does not expect any material impact affecting the current year's financial statements on account of provision for diminution in value of investment and Loans and advances. Accordingly, no provision has been made in the financial statements.
- (ii) Note No. 19 in the financial statements of this Subsidiary Company indicates that, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous years and, the Company's current liabilities exceeded its current assets as at the Balance Sheet date. These conditions, along with other matters set forth in Note No. 19, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

Other Matters

9. We have relied on the unaudited financial statements of three subsidiaries whose financial statements reflect total assets of Rs. 54,585.24 Lakhs as at March 31, 2017; as well as the total revenues of Rs. 1,693.88 Lakhs and net cash out flow amounting to Rs.373.57 Lakhs 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 in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on such certified unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable that:

- a. We have sought and, except for the matters described in the Emphasis of Matters paragraph above, 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. Except for the possible effects of the matters described in the Emphasis of Matters paragraph above, 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.
- 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. The going concern matter described in Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors of the holding Company and the subsidiary Companies as on March 31, 2017, 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, 2017, from being appointed as a director in terms of section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- h. 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, 2017 on the consolidated financial position of the group (Refer Note no. 28).
 - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2017. In case of the subsidiary Companies, there were no amounts, which required to be transferred, to the Investor Education and Protection Fund.
 - iv. The Group has provided requisite disclosures in the consolidated financial statements as regards its holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note No. 31).

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

Place : Mumbai
 Date : August 16, 2017

DILIP M. JANI
Proprietor
Membership No. 17259

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 10(g) of the independent Auditor’s Report of even date to the members of Valecha Engineering Limited on the consolidated financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act (“the Act”).

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Valecha Engineering Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2017:

- a. The Holding Company is not having a full fledged ERP system to manage different operational activities. Accordingly, many of the operations, which would have been taken care by the system, required manual intervention and to that extent there are limitations in control system and processes.

The discrepancies noticed due to the above weakness, were, however, rectified by the year end with manual intervention.

- b. The Company did not have an appropriate internal control system at three (3) projects sites which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection and could potentially result in material misstatements in the

Company's trade payables, consumption, inventory and expense account balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, except for the effects / possible effects of material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiaries companies which are incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as of March 31, 2017, based on internal control over financial reporting criteria established by the Holding Company and its subsidiaries companies which are incorporated in India considering the essential components of the internal control stated in Guidance Note issued by ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of consolidated financial statements of the Holding Company for the year ended March 31, 2017.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to unaudited financials of two subsidiary companies incorporated in India is based on the corresponding Management report of such companies.

Place : Mumbai
Date : August 16, 2017

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

DILIP M. JANI
Proprietor
Membership No. 017259

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

(Amount in ₹)

PARTICULARS	NOTE NO.	As at 31 st March, 2017		As at 31 st March, 2016	
I EQUITY AND LIABILITIES :					
1. Shareholders' Funds:					
a) Share Capital	1	22,53,00,250		22,53,00,250	
b) Reserves & Surplus	2	(2,41,37,77,253)	(2,18,84,77,003)	(6,53,32,697)	15,99,67,553
2. Minority Interest					
(24,39,23,613)					
3. Non Current Liabilities:					
a) Long Term Borrowings	3	7,05,23,64,003		7,97,21,70,585	
b) Deferred Tax Liabilities (Net)	4	15,71,09,131		19,28,43,850	
c) Other Long Term Liabilities	5	1,69,85,63,880	8,90,80,37,014	2,08,34,84,771	10,24,84,99,206
4. Current Liabilities ;					
a) Short Term Borrowings	6	2,66,92,62,615		1,16,37,14,917	
b) Trade Payables	7	1,73,82,68,703		1,67,87,91,884	
c) Other Current Liabilities	8	4,15,81,86,578	8,56,57,17,896	3,31,73,04,466	6,15,98,11,267
Total			15,04,13,54,294		16,67,85,38,772
II ASSETS :					
1. Non Current Assets :					
a. Fixed Assets:					
i. Tangible Assets:		47,64,01,370		80,16,80,033	
ii. Intangible Assets:		5,18,79,87,723		5,53,54,18,778	
iii. Intangible Assets under Development :		1,73,90,93,298		1,73,90,93,298	
iv Capital Work in Progress		7,10,360	7,40,41,92,751	26,10,11,422	8,33,72,03,531
b. Non Current Investments					
38,75,77,290					
c. Long Term Loans & Advances					
12,58,306					
2. Current Assets :					
a. Inventories	12	40,63,71,566		55,26,64,218	
b. Trade Receivables	13	2,58,02,69,039		2,54,39,49,554	
c. Cash and Cash Equivalents	14	29,66,09,590		63,62,33,354	
d. Short Term Loans & Advance	15	3,95,78,87,593		3,35,89,42,379	
e. Other Current Assets	16	71,88,159	7,24,83,25,947	3,07,05,734	7,12,24,95,239
Total			15,04,13,54,294		16,67,85,38,772
Significant Accounting Policies and Notes on Financial Statements		1 to 36			

As per our report of even date

For and on behalf of the Board

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

Vijay Kumar H. Modi
Company Secretary & Legal

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Dilip M. Jani
Proprietor
Membership No. 017259

Anil S. Korpe
Chief financial Officer

Dinesh H. Valecha
Director
DIN : 00012945

Place : Mumbai.
Date : 16th August, 2017

Tarun Dutta
Director
DIN : 07867786

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

PARTICULARS	NOTE NO.	Year Ended 31 st March, 2017		Year Ended 31 st March, 2016	
I INCOME					
Revenue from Operations	17		4,52,31,13,413		7,50,44,90,855
II Other Income	18		24,93,05,819		12,90,33,152
III Total Revenue (I+II)			4,77,24,19,232		7,63,35,24,007
IV EXPENSES					
Construction Expenses	19		3,69,47,84,519		7,71,92,77,751
Changes in Inventories	19		14,62,92,651		(4,01,75,868)
Employee Benefits Expense	20		18,32,59,450		23,10,75,985
Financial Cost	21		1,66,33,47,407		1,20,88,61,157
Depreciation and Amortisation Expense	22		50,21,68,126		53,46,47,934
Other Expenses	23		27,43,64,049		40,21,17,843
Total Expenses			6,46,42,16,202		10,05,58,04,802
V PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEM AND EXTRAORDINARY ITEM AND TAX (III-IV)			(1,69,17,96,970)		(2,42,22,80,795)
VI Exceptional Items	24		1,03,90,90,210		-
VII PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)			(2,73,08,87,180)		(2,42,22,80,795)
VIII Extraordinary Items			-		-
IX PROFIT / (LOSS) BEFORE TAX (VII-VIII)			(2,73,08,87,180)		(2,42,22,80,795)
X TAX EXPENSES / (BENEFITS)					
Current Tax			-		87,317
Deferred Tax / (Benefits)		(3,57,34,719)	(3,57,34,719)	(5,09,72,113)	(5,08,84,796)
XI PROFIT / (LOSS) FOR THE YEAR (BEFORE ADJUSTMENT FOR MINORITY INTEREST) (IX-X)			(2,69,51,52,461)		(2,37,13,95,999)
XII Add : Share of Loss Transferred to Minority Interest			35,41,84,359		4,26,48,647
XIII PROFIT / (LOSS) FOR THE YEAR (AFTER ADJUSTMENT FOR MINORITY INTEREST) (XI+XII)			(2,34,09,68,102)		(2,32,87,47,352)
Significant Accounting Policies and Notes on Financial Statements	1 to 36				
Earning Per Share of face value of ₹ 10/- each					
- Basic & Diluted (In ₹)	25		(103.90)		(104.52)

As per our report of even date

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

For and on behalf of the Board

Vijay Kumar H. Modi
 Company Secretary & Legal

Jagdish K.Valecha
 Vice-Chairman-Cum Managing Director
 DIN : 00013070

Dilip M.Jani
 Proprietor
 Membership No. 017259

Anil S. Korpe
 Chief financial Officer

Dinesh H. Valecha
 Director
 DIN : 00012945

 Place : Mumbai.
 Date : 16th August, 2017

Tarun Dutta
 Director
 DIN : 07867786

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016
A Cash flow from Operating Activities		
Loss Before Tax and Extraordinary Items	(2,73,08,87,180)	(2,42,22,80,795)
Add / (Deduct) Adjustment for :		
Depreciation and Amortisation Expense	50,21,68,126	53,46,47,934
Financial cost	1,66,33,47,407	1,20,88,61,157
Rent from Property	(2,03,19,518)	(4,41,26,365)
Impairment of Capital work in progress	26,03,16,162	-
Loss on sale of Investment	51,31,78,502	-
Diminution in the value of Investment	26,55,95,546	-
Interest Earned	(2,66,28,970)	(5,39,73,908)
Loss / (Profit) on Sale of Fixed Assets	(10,42,16,321)	9,13,132
Operating Profit/ (Loss) Before Working Capital Changes	32,25,53,754	(77,59,58,845)
Changes in Working Capital :		
Trade and Other Receivables	(59,30,04,806)	32,20,02,600
Inventories and Project In Progress	16,98,10,226	4,75,42,888
Trade and other Payables	(6,59,38,831)	76,62,24,006
Cash Generated From/ (Used in) Operations	(16,65,79,656)	35,98,10,649
Direct Taxes (Paid)	(2,57,78,089)	(14,43,54,288)
Prior year adjustments	(74,76,454)	(6,000)
Net Cash Flow from/ (Used in) Operating Activities	(19,98,34,198)	21,54,50,361
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,62,27,750)	(2,81,48,80,465)
Proceeds from Sale of Fixed Assets	29,09,85,663	2,47,75,54,356
Changes in Capital WIP & Assets Under Development	(15,100)	(5,99,60,786)
Proceeds from Sale of Investments	3,47,48,555	54,50,190
Interest Earned	2,66,28,970	5,39,73,908
Rent from Property	2,03,19,518	4,41,26,365
Net Cash From/ (Used in) Investing Activities	35,64,39,856	(29,37,36,432)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares	-	30,15,00,000
Proceeds from/ (Repayment of) Long Term Borrowings	(30,28,55,711)	64,30,86,759
Proceeds from / (Repayment of) Unsecured Borrowings	(3,55,74,000)	(2,33,81,000)
Proceeds from Short Term Borrowings	1,50,55,47,698	20,40,33,183
Financial Cost	(1,66,33,47,407)	(1,20,88,61,157)
Net Cash Used in Financing Activities	(49,62,29,421)	(8,36,22,215)
Net Increase / (Decrease) in Cash and Cash Equivalents	(33,96,23,764)	(16,19,08,286)
Opening Balance of Cash and Cash Equivalents	63,62,33,354	79,81,41,640
Closing Balance of Cash and Cash Equivalents	29,66,09,590	63,62,33,354

As per our report of even date

For **D.M.JANI & Co.**

Chartered Accountants

FRN : 104047W

For and on behalf of the Board

Vijay Kumar H. Modi
Company Secretary & Legal

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Dilip M.Jani
Proprietor
Membership No. 017259

Anil S. Korpe
Chief financial Officer

Dinesh H. Valecha
Director
DIN : 00012945

Place : Mumbai.
Date : 16th August, 2017

Tarun Dutta
Director
DIN : 07867786

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A Basis of accounting and preparation of financial statements

- a. 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.
- b. The share of Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated financial statement separately.
- c. 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 above disclosure.

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 Standalone Financial statements.”

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	As at 31.03.2017		As at 31.03.2016	
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				
2,25,30,025 (Previous Year 2,25,30,025) Equity Shares of ₹ 10/- each fully paid-up.		22,53,00,250		22,53,00,250
		22,53,00,250		22,53,00,250

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	₹	No. of Shares held	₹
Equity Shares :				
Shares outstanding at the beginning of the year	2,25,30,025	22,53,00,250	1,95,30,025	19,53,00,250
Add : Shares issued during the year	-	-	30,00,000	3,00,00,000
Shares outstanding at the end of the year	2,25,30,025	22,53,00,250	2,25,30,025	22,53,00,250

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 31.03.2017		As at 31.03.2016	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Valecha Investment Pvt. Ltd.	69,33,249	30.77	69,33,249	30.77
Hypnos Fund Limited	20,00,000	8.88	20,00,000	8.88

	As at 31.03.2017		As at 31.03.2016	
2 RESERVES AND SURPLUS				
a. Securities Premium Account :				
Balance as per last Balance Sheet	1,18,50,96,609		91,35,96,609	
Add : Premium on shares issued during the year	-	1,18,50,96,609	27,15,00,000	1,18,50,96,609
b. Revaluation Reserve:				
Balance as per last Balance Sheet	56,00,730		61,27,795	
Less: Depreciation on revalued asset	-		5,27,065	
Less: Transferred to Surplus in Statement of Profit and Loss (Refer Note below)	56,00,730	-	-	56,00,730
c. General Reserve:				
Balance as per last Balance-Sheet	43,89,80,873		43,89,80,873	
Add: Transfer from surplus in Statement of Profit & Loss	-	43,89,80,873	-	43,89,80,873
d. Surplus / (Deficit) in Statement of Profit and Loss :				
Balance as per last Balance Sheet	(1,69,50,10,909)		63,37,42,443	
Add : Profit / (Loss) for the Year	(2,34,09,68,102)		(2,32,87,47,352)	
Add : Transferred from Revaluation Reserves	56,00,730		-	
Less : Prior Year Adjustments for Taxes & Others	74,76,454	(4,03,78,54,735)	6,000	(1,69,50,10,909)
		(2,41,37,77,253)		(6,53,32,697)
Note: The Balance in Revaluation reserve of ₹ 56,00,730 is transferred to Surplus in Statement of Profit and Loss on account of sale of remaining fixed asset which was revalued in 1992.				

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
3 LONG TERM BORROWINGS		
a. Secured		
Term Loans :		
i. From Banks	6,73,14,04,781	7,37,65,48,875
ii. From Financial Institutions	12,81,69,222	29,76,56,710
b. Unsecured		
i. Fixed Deposits	-	10,51,75,000
ii. Compulsory Convertible Debentures	18,31,00,000	18,31,00,000
iii. Others	96,90,000	96,90,000
	7,05,23,64,003	7,97,21,70,585

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

	Nature of Security	Terms of Repayment
1)	Term Loan with the outstanding balance of ₹ 11.28 lakhs (March 2016 : ₹ 175.55 lakh) 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
2)	Term Loan with the outstanding balance of ₹ 1.14 Lakhs (March 2016 : ₹ 5.26 lakhs) 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.
3)	Term Loan fully paid during the year (March 2016 : ₹ 2.00 lakhs) it was 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.
4)	Term Loan with the outstanding balance of ₹ 0.50 Lakhs (March 2016 : ₹ 2.44 lakhs) 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.
5)	Term Loan fully paid during the year (March 2016 : ₹ 8.02 lakhs) it was 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.
6)	Term Loan with the outstanding balance of ₹ 4267.04 lakhs (March 2016 : ₹ 3712.16 lakh) is secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 9 quarterly installments beginning from March 2014 with last installment due on March 2016. Rate of interest at 11.70% p.a.
7)	Corporate Loan with the outstanding balance of ₹ 1367.24 lakhs (March 2016 : ₹ 1233.68 lakh) 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 Instalments with the moratorium period of Six months. Installments beginning from September 2014. The last installment due on December 2016. Rate of interest at 13.10% p.a
8)	Term Loan with the outstanding balance of ₹ 6929.31 lakhs (March 2016 : ₹ 6161.27 lakh) is secured by first & exclusive charge on the project receivables for EPC from Rapti Nahar Nirman Mandal-Irrigation Depart, Basti, Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 6 quarterly installments beginning from May 2016 and last installment due on August 2017. Rate of interest at 12.25% p.a.
9)	Term Loan with the outstanding balance of ₹ 256.03 lakhs (March 2016 : ₹ 215.30 lakhs) 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
10)	Term Loan with the outstanding balance of ₹ 1500.40 lakhs (March 2016 : ₹ 4201.21 lakhs) 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
11)	Term Loan with the outstanding balance of ₹ 1.25 lakhs (March 2016 : ₹ 4.27 lakhs) 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
12)	Term Loan with the outstanding balance of ₹ 9.92 lakhs (March 2016 : ₹ 33.81 lakhs) 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
13)	Term Loan with the outstanding balance of ₹ 7.31 lakhs (March 2016 : ₹ 24.92 lakhs) 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, 2017

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

	Nature of Security	Terms of Repayment
14)	Term Loan with the outstanding balance of ₹ 3.11 lakhs(March 2016 : ₹ 10.60 lakhs) is secured by first & exclusive charge on the specific Machineries	Repayable in 36 monthly installmentswith the last installment due in July 2017. Rate of Interest at 10.25% p.a
15)	Term Loan with the outstanding balance of ₹ 47.49 lakhs(March 2016 : ₹ 72.80 lakhs) is secured by first & exclusive charge on the specific vehicles	Repayable in 46 monthly installmentswith the last installment due in July 2018. Rate of Interest at 10.50 % p.a
16)	Term Loan with the outstanding balance of ₹ 2376.16Lakhs (March 2016 : ₹ 3677.22 lakh) is secured by exclusive charge on the specific Machineries.	Repayable in 60 monthly installmentscommencing from Oct 2015 and the lastinstallment due in Sept. 2020. Rate of Interest at 14.00 % p.a
17)	Term Loan fully paid during the year (March 2016: ₹ 3500.00 lakh) it was secured Against Bank Guarantees	Repayable in single paymenton or before 07.08.2016Rate of Interest at 13.75 % p.a
18)	Term Loan with the outstanding balance of ₹ 298.71Lakhs (March 2016 : ₹ 267.75 lakhs) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installmentscommencing from Oct 2015 and the lastinstallment due in Sept 2018. Rate of Interest at 14.00% p.a
19)	Term Loan in Valecha Infrastructure Limitedwith the outstanding balance of ₹ 4625 lakhs(March 2016: ₹ 5000 lakhs) is secured by pledge of shares & Immovable Property	Repayable in 18 quarterly installment with the last installment due in Sept 2020. Rate of Interest at 11.50 % p.a
20)	Term Loan in Valecha Infrastructure Limitedwith the outstanding balance of ₹ 4007 lakhs(March 2016: ₹ N.A.) is secured by pledge of shares & Immovable Property	Repayable in 18 quarterly installment with the last installment due in Sept 2021. Rate of Interest at 11.65 % p.a
21)	Term Loan by way of Project Finance in Valecha LM Toll Pvt Limited with the outstanding balance of ₹ 19888lakhs (March 2016 : ₹ 20310 lakhs)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 instalments, to commencefrom 31st March, 2015Rate of Interest at 11.55% p.a
22)	Term Loan by way of Project Finance in Valecha Badwani Sendhwa Tollways Limited with the outstanding balance of ₹ 5514 lakhs (March 2016 : ₹ 5893.20 lakhs)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 instalments, to commencefrom 30th September, 2013Rate of Interest at 11.40% p.a
23)	Term Loan by way of Project Finance in Valecha Kachchh Toll Roads Limited with the outstanding balance of ₹ 37,532 lakhs (March 2016: ₹ 37,532 lakhs)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 instalments, to commence from June, 2016 Rate of Interest at 11.40% p.a
24)	52,00,000 Unsecured Compulsory Convertible Debentures issued by Valecha Badwani Sendhwa Toll Ways Limitedof ₹ 10 each	Issued on 04.10.2012 to be converted after 10 yearsfrom the date of issue.
25)	1,31,10,000 Unsecured Compulsory Convertible Debentures issued by Valecha LM Toll Private Limited of ₹ 10 each.	Issued on 23.12.2010 to be converted any time between period of 5 to 10 years from the Commercial Operations Date

3.2 The Company has defaulted in repayment of loans and interest in respect of the following :

(Amount in ₹ Lakhs)

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
(a) Valecha Engineering Limited				
Term Loan				
Central Bank Of India	3,598.08	668.96	4,267.04	30 to 549 Days
Syndicate Bank	3,196.00	1,112.94	4,308.94	30 to 456 Days
Yes Bank	-	14.23	14.23	1 to 31 Days
State Bank of Bikaner & Jaipur (SBI)	1,208.30	158.94	1,367.24	30 to 366 Days
Machinery Loan				
ICICI Bank Ltd	6.31	11.28	17.59	1 to 30Days
Vehicle Loan				
Axis Bank Ltd.	1.64	0.01	1.65	1 to 30Days
Fixed Deposits from Public				
	3,468.26	293.58	3,761.84	1 to 943 Days
Total (a)	11,478.59	2,259.94	13,738.53	

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

3.2 The Company has defaulted in repayment of loans and interest in respect of the following :

(Amount in ₹ Lakhs)

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
(b) Valecha Kachchh Toll Roads Ltd.				
Term Loan				
Canara Bank	323.00	3,805.41	4,128.41	365 Days
Indian Overseas Bank	244.00	1,987.09	2,231.09	365 Days
Total (b)	567.00	5,792.50	6,359.50	
(c) Valecha LM Toll Pvt. Ltd.				
Term Loan				
State Bank of India	278.00	354.38	632.38	121Days
Axis Bank Ltd	250.00	494.19	744.19	151 Days
Total (c)	528.00	848.57	1,376.57	
(d) Valecha Badwani Sendhawa Toll Ways Ltd.				
Term Loan				
Vijaya Bank	-	-	-	-
Total (d)	-	-	-	
(e) Valecha Infrastructure Ltd.				
Term Loan				
Yes Bank	126.83	84.78	211.61	31 Days
Total (e)	126.83	84.78	211.61	
Grand Total (a to e)	12,700.42	8,985.79	21,686.21	

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
4 DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Balance as per Last Balance Sheet	19,28,43,850	24,38,15,963
Deferred tax Charged during the Year :-		
a. Difference between book depreciation and tax depreciaton during the year	(3,57,34,719)	(5,09,72,113)
Deferred Tax Liabilities / (Assets)	15,71,09,131	19,28,43,850
5 OTHER LONG TERM LIABILITIES		
a. Advance from Contractees	12,49,67,424	19,17,64,099
b. Non Current Liabilities - Trade	87,59,68,626	83,56,45,467
c. Non Current Liabilities - Others	69,76,27,830	1,05,60,75,205
	1,69,85,63,880	2,08,34,84,771
6 SHORT TERM BORROWINGS		
From Banks - Secured :		
a. Working Capital Loans - Cash Credit Limits	1,83,60,96,240	76,70,70,880
b. Short Term Facilities	52,43,12,398	33,09,64,640
From Others - Unsecured :		
a. Other Short Term Loans	1,56,96,607	5,75,74,727
b. Related Parties	29,31,57,370	81,04,670
	2,66,92,62,615	1,16,37,14,917

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

6.1 The Company has defaulted in repayment of working capital facilities in respect of the following :

(Amount in ₹ Lakhs)

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Valecha Engineering Limited				
Working Capital Facilities				
State Bank of India	7,900.78	1,652.56	9,553.34	368 Days
Axis Bank Ltd	3,283.50	494.22	3,777.72	366 Days
Canara Bank	1,687.95	169.90	1,857.85	538 Days
Total	12,872.23	2,316.68	15,188.91	

- Working capital loans are secured by hypothecation of book debts, current assets, unencumbered plant & machinery and specific immovable properties as per the sanction terms.
- Short Term Facilities from Banks are secured against the securities offered under the working capital loans.

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
7 TRADE PAYABLES		
Dues of Micro, Small and Medium Enterprises	2,77,31,731	2,84,31,731
Others	1,71,05,36,972	1,65,03,60,153
	1,73,82,68,703	1,67,87,91,884

7.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under :

	As at 31.03.2017	As at 31.03.2016
Particulars :		
Principal amount due and remaining unpaid	2,77,31,731	2,84,31,731
Interest due on above and the unpaid interest *	73,25,603	73,25,603
Interest paid	-	-
Payment made beyond the appointed day during the year	7,00,000	-
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	-	-
	3,57,57,334	3,57,57,334

* Provision for Interest is not made in the Books of account as same is in dispute.

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in ₹)

	As at 31.03.2017	As at 31.03.2016
8 OTHER CURRENT LIABILITIES		
a. Current Maturities of Long Term Debts (Refer Note No. 3.1)	2,00,47,16,534	1,49,29,40,663
b. Current Maturities of Advance from Contractees	18,08,21,752	49,55,81,915
c. Current Maturities of Fixed Deposites	34,68,26,000	27,72,25,000
d. Unclaimed Dividends *	13,13,906	15,15,024
e. Statutory Dues	21,53,80,155	20,41,25,759
f. Secured Advance from Contractees	1,86,48,757	22,76,04,007
g. Others	1,39,04,79,474	61,83,12,098
	4,15,81,86,578	3,31,73,04,466

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

9. FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2016	Addition	Deduction	As at 31.03.2017	As at 01.04.2016	For the Year	Adjustment	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
(a) 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	-	2,19,21,360	1,45,43,443	1,20,09,530	2,51,938	85,51,369	37,10,099	1,08,33,344	2,44,55,273
Plant & Machinery	1,46,54,82,420	25,22,491	44,99,95,864	1,01,80,09,047	78,52,85,658	13,55,08,051	28,19,52,642	63,88,41,067	37,91,67,980	68,01,96,762
Furniture and Fixtures	9,47,10,142	11,75,631	-	9,58,85,773	7,03,96,213	1,07,28,543	-	8,11,24,756	1,47,61,017	2,43,13,929
Vehicles	15,87,30,046	1,25,29,628	1,26,95,751	15,85,63,923	12,69,70,016	82,48,539	73,39,622	12,78,78,933	3,06,84,990	3,17,60,030
Total (a)	1,79,63,41,450	1,62,27,750	48,46,12,975	1,32,79,56,225	99,46,61,417	15,47,37,071	29,78,43,633	85,15,54,855	47,64,01,370	80,16,80,033
Previous Year	2,22,77,74,641	7,66,88,678	50,81,21,869	1,79,63,41,450	98,86,21,751	20,67,40,319	20,07,00,653	99,46,61,417	80,16,80,033	-
(b) Intangible Assets										
Concessionaire Right	6,43,13,62,138	-	-	6,43,13,62,138	89,59,43,360	34,74,31,055	-	1,24,33,74,415	5,18,79,87,723	5,53,54,18,778
Total (b)	6,43,13,62,138	-	-	6,43,13,62,138	89,59,43,360	34,74,31,055	-	1,24,33,74,415	5,18,79,87,723	5,53,54,18,778
Previous Year	3,69,31,70,351	2,73,81,91,787	-	6,43,13,62,138	56,75,08,680	32,84,34,680	-	89,59,43,360	5,53,54,18,778	-
(c) Intangible Assets under Development										
1,73,90,93,298	-	-	-	1,73,90,93,298	-	-	-	-	1,73,90,93,298	1,73,90,93,298
Total (c)	1,73,90,93,298	-	-	1,73,90,93,298	-	-	-	-	1,73,90,93,298	1,73,90,93,298
Previous Year	3,91,01,39,570	-	2,17,10,46,272	1,73,90,93,298	-	-	-	-	1,73,90,93,298	-
(d) Capital Work in Progress										
26,10,11,422	15,100	26,03,16,162	7,10,360	-	-	-	-	-	7,10,360	26,10,11,422
Total (d)	26,10,11,422	15,100	26,03,16,162	7,10,360	-	-	-	-	7,10,360	26,10,11,422
Previous Year	20,10,50,636	5,99,60,786	-	26,10,11,422	-	-	-	-	26,10,11,422	-
Current Year Total (a to d)	10,22,78,08,308	1,62,42,850	74,49,29,137	9,49,91,22,021	1,89,06,04,777	50,21,68,126	29,78,43,633	2,09,49,29,270	7,40,41,92,751	8,33,72,03,531
Previous Year Total (a to d)	10,03,21,35,198	2,87,48,41,251	2,67,91,68,141	10,22,78,08,308	1,55,61,30,431	53,51,74,999	20,07,00,653	1,89,06,04,777	8,33,72,03,531	-

10 NON CURRENT INVESTMENTS :

(Amount in ₹)

PARTICULARS	As at 31.03.2017		As at 31.03.2016	
	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)	18,57,154	28,46,99,185	54,31,400	83,26,26,242
Less: Provision for Diminution in value of investment		26,55,95,546		-
		1,91,03,639		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
		28,81,95,200		28,81,95,200
		8,02,78,451		8,02,78,451
C. INVESTMENT IN BUILDINGS				
Abstract :				
A. Equity Shares : Quoted & Fully Paid		1,91,03,639		83,26,26,242
B. Equity Shares : Unquoted & Fully Paid		28,81,95,200		28,81,95,200
C. Investment in Buildings		8,02,78,451		8,02,78,451
Grand Total		38,75,77,290		1,20,10,99,893
Market Value of Quoted Investments In Shares		1,50,61,519		5,92,02,260

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	As at 31.03.2017		As at 31.03.2016	
11 LONG TERM LOANS & ADVANCES				
Unsecured and considered good :				
Security Deposit		12,52,956		1,77,40,109
Others		5,350		-
		12,58,306		1,77,40,109
12 Inventories (At lower of cost or net realisable value) :				
Stock of Materials		40,63,71,566		55,26,64,218
		40,63,71,566		55,26,64,218
13 Trade Receivables :				
a. Trade receivables outstanding for a period exceeding six months :				
Unsecured and considered good		2,19,88,33,230		1,09,31,17,543
b. Trade receivables outstanding for a period less than six months :				
Unsecured and considered good		38,14,35,809		1,45,08,32,011
		2,58,02,69,039		2,54,39,49,554
14 Cash and Cash Equivalents :				
a. Cash on Hand (Refer note no. 31)		21,63,684		1,03,10,132
b. Bank Balances				
(i) Current Accounts		16,27,56,586		14,01,96,710
(ii) Unclaimed Dividend Accounts		13,66,387		15,67,505
(iii) Escrow Accounts		12,64,532		5,21,630
(iv) In Deposit Accounts (Lien against Bank Guarantees, Letter of Credits and EMDs.)		12,90,58,401		48,36,37,377
		29,66,09,590		63,62,33,354
15 Short Term Loans & Advances :				
(Unsecured and considered good)				
a. Loans and Advances to Related Parties		44,14,90,192		14,48,42,646
b. Loans and Advances to Employees		97,43,392		2,10,65,842
c. Duties & Taxes Recoverable		32,07,37,824		40,38,95,599
d. Advances Recoverable in Cash or in kind or for value to be received		1,96,53,35,185		1,66,25,04,034
e. Deposits with Contractees & Others		87,93,51,939		81,11,83,286
f. Advance Income Tax Paid	34,12,29,061		39,29,50,972	
Less : Provisions for Income Tax	-	34,12,29,061	7,75,00,000	31,54,50,972
		3,95,78,87,592		3,35,89,42,379
16 Other Current Assets :				
Projects in Progress and Others		71,88,159		3,07,05,734
		71,88,159		3,07,05,734

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017
(Amount in ₹)

	Year Ended 31.03.2017		Year Ended 31.03.2016	
17 REVENUE FROM OPERATIONS				
Revenue from Operation		4,10,92,86,044		7,08,33,26,891
Revenue from Toll Collection & Annuity		41,38,27,369		42,11,63,964
		4,52,31,13,413		7,50,44,90,855
18 OTHER INCOME				
a. Interest Income :				
Interest on Fixed Deposits	1,70,17,646		4,11,31,071	
Interest from Related Parties	-		71,10,494	
Interest from Others	96,11,324	2,66,28,970	57,32,343	5,39,73,908
b. Lease Rental Income		2,03,19,518		4,41,26,365
c. Foreign Exchange Fluctuation Gain		-		1,17,76,559
d. Sundry balances written back		7,74,04,127		-
e. Profit on sale of fixed Assets (Net)		10,42,16,321		-
f. Miscellaneous Income		2,07,36,883		1,91,56,320
		24,93,05,819		12,90,33,152
19 CONSTRUCTION EXPENSES				
a. Materials Purchase		72,06,22,586		1,24,43,38,588
b. Sub-Contracting and Transportation Expenses.		2,11,61,44,862		5,04,28,93,226
c. Power and Fuel		5,23,93,035		6,97,43,254
d. Value Added Tax, Service Tax & Labour Cess		12,97,41,793		13,42,33,216
e. Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		10,91,23,182		13,54,71,482
f. Insurance		52,83,444		1,29,84,208
g. Site Expenses		56,14,75,617		1,07,96,13,777
		3,69,47,84,519		7,71,92,77,751
h. Changes in Inventories				
Opening Stock	55,26,64,217		51,24,88,349	
Less : Closing Stock	40,63,71,566	14,62,92,651	55,26,64,217	(4,01,75,868)
		3,84,10,77,170		7,67,91,01,883
20 EMPLOYEE BENEFIT EXPENSES				
a. Salaries, Wages, and Bonus		16,81,02,285		21,69,42,693
b. Contribution to Provident Fund, Gratuity and other funds		1,35,54,654		1,27,16,158
c. Welfare Expenses		16,02,511		14,17,134
		18,32,59,450		23,10,75,985

Employees' Retirement and other Benefits :

Defined contribution Plan : The Company's contribution to provident fund ₹ 2,11,84,745 (Previous ₹1,13,36,558) [inclusive of ₹ 28,21,548 (Previous year ₹ 3,12,000) related to Remuneration to Directors] is charged to Statement of Profit and Loss.

Defined benefit plan : The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The Company's Liability towards Gratuity are determined using the projected credit method. Actual gain and losses are recognised immediately in the Statement of Profit and 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2017.
(Amount in ₹)

Particulars	2106-17	2015-16
Changes in Present value of Obligations		
Present value of Obligations as at beginning of year	1,43,32,949	1,79,10,986
Interest Cost	11,46,636	14,32,879
Current Service Cost	13,53,662	17,42,373
Benefits paid	(42,11,165)	(61,61,370)
Actuarial (Gain)/Loss on Obligations	(68,55,636)	(5,91,919)
Present value of obligations as at end of year	57,66,446	1,43,32,949
Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	78,90,488	1,27,28,508
Expected return on plan assets	5,96,993	10,30,532
Contributions	8,59,226	2,92,818
Benefits paid	(42,11,165)	(61,61,370)
Actuarial (Gain)/Loss on Plan assets	-	-
Fair value of plan assets at the end of year	51,35,542	78,90,488
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	57,66,446	1,43,32,949
Fair value of plan assets as at the end of the year	51,35,542	78,90,488
Funded status	(6,30,904)	(64,42,461)
Liability / (Assets) recognised in balance sheet	6,30,904	64,42,461
Expenses Recognised in statement of Profit and Loss		
Current Service Cost	13,53,662	17,42,373
Interest Cost	11,46,636	14,32,879
Expected return on plan assets	(5,96,993)	(10,30,532)
Net Actuarial (Gain)/Loss recognized in the year	(68,55,636)	(5,91,919)
Expenses/ (Gain) recognized in statement of Profit and Loss	(49,52,331)	15,52,801

(Amount in ₹)

	Year Ended 31.03.2017		Year Ended 31.03.2016	
21 FINANCIAL COST :				
Interest Expenses				
a. Banks		1,51,86,88,532		90,68,96,919
b. Financial Institutions		7,17,38,429		15,77,51,758
c. Others				
Related Parties	-		1,18,677	
Others Parties	7,29,20,446	7,29,20,446	14,40,93,803	14,42,12,480
		1,66,33,47,407		1,20,88,61,157
22 DEPRECIATION & AMORTISATION EXPENSE				
Depreciation & Amortisation		50,21,68,126		53,51,74,999
Less : Depreciation on Revalued assets charged to Revaluation Reserves (Refer note no.2)		-		5,27,065
		50,21,68,126		53,46,47,934

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

	Year Ended 31.03.2017	Year Ended 31.03.2016
23 OTHER EXPENSES		
a. Rates and taxes	34,67,258	56,64,526
b. Printing and stationery	4,29,923	6,40,855
c. Telephone and Postage	16,39,481	18,07,743
d. Advertisement	1,16,669	1,50,390
e. Traveling and conveyance	33,75,925	12,70,886
f. Business promotion	17,81,150	8,22,278
g. Electricity charges	15,47,365	14,92,148
h. Professional Fees	2,15,57,225	3,57,53,427
l. Office Maintenance	1,13,55,316	77,43,614
j. Tender Expenses	9,77,734	13,97,801
k. Bank charges	60,44,410	1,32,63,910
l. Directors Remuneration	* 2,56,65,817	35,80,634
m. Payments to Auditor	38,47,821	34,05,966
n. General expenses	5,27,98,944	3,55,94,227
o. Profit/Loss on sale of fixed assets (Net)	-	9,13,132
p. Irrecoverable debts written off	13,51,98,469	28,86,16,306
q. Foreign Exchange Fluctuation Loss	45,60,542	-
	27,43,64,049	40,21,17,843
* includes ₹ 1,25,47,366/- payable for F.Y. 2015-16 provided in current year.		
23.1 Payment to Auditor		
Audit Fees	28,78,525	26,32,500
Certification and Other Services including Service Tax	9,69,296	7,73,466
	38,47,821	34,05,966
24 Exceptional Items		
Impairment of Capital work in progress	26,03,16,162	-
Loss on sale of investment	51,31,78,502	-
Provision for diminution in the value of investment	26,55,95,546	-
	1,03,90,90,210	-
25 Earning Per Share		
1 Net Profit/(Loss) After Tax (With Extraordinary Income)	(2,34,09,68,102)	(2,32,87,47,352)
Less : Extraordinary Income	-	-
2 Net Profit/ (Loss) After Tax & Extraordinary Income	(2,34,09,68,102)	(2,32,87,47,352)
3 Weighted average Number of shares for Basic EPS (Numbers)	2,25,30,025	2,22,80,025
4 Weighted average Number of shares for Diluted EPS (Numbers)	2,25,30,025	2,22,80,025
5 Basic & Diluted Earning Per share (Equity Shares of ₹ 10/- each)	(103.90)	(104.52)

26 Expenditure in Foreign Currency

(Amount in ₹)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
i. C.I.F. Value of Imports		
(a) Capital Goods	-	-
(b) Components & Spare Parts	-	-
ii. Technical & Engineering Fees	-	-
iii. Travelling & Other Expenses	1,00,000	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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
(A) Particulars of Associate Companies and Enterprises over which KMPs have significant influence	
1 Valecha Reality Ltd.	Associate Company
2 Bhubaneshwar Express Ways Pvt. Ltd.	Associate Company
3 Aryavrat Projects & Developers Pvt. Ltd.	Associate Company
4 Gopaldas Vasudev Construction Pvt. Ltd.	Enterprise over which KMPs have significant influence
5 Valecha Investment Pvt. Ltd	Associate Company
6 Valecha Power Ltd.	Enterprise over which KMPs have significant influence
7 Valecha Gulf Contracting & Foundations L.L.C.	Enterprise over which KMPs have significant influence
(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 KSSIIPL - VEL (JV)	Joint Venture Member
6 Valecha - VKJ (JV)	Joint Venture Member
7 Valecha - Shivalaya - Intradel (JV)	Joint Venture Member
(C) Key Management Personnel (KMP)	
1 Arvind Thakkar	Chairman
2 Jagdish K. Valecha	Vice Chairman cum Managing Director
3 Dinesh H. Valecha	Whole Time Director
4 Umesh H. Valecha	Whole Time Director
5 Kavita Valecha Sharma	Company Secretary
6 Vijay Kumar H. Modi	Company Secretary
7 Anil S. Korpe	Chief Financial Officer
(D) Others	
1 Karan Jagdish Valecha	Relative of Key Management Personnel
2 Kapil Jagdish Valecha	Relative of Key Management Personnel

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

	(Amount in ₹)	
	2016-17	2015-16
(E) Transactions with Associate Companies / Enterprises over which KMPs have significant influence		
1 Deposit / Loans / Repayment received during the year	43,52,28,232	2,51,20,000
2 Deposit / Loans given / Repaid during the year	43,89,54,823	3,02,33,600
3 Interest Received	-	71,10,494
4 Interest Paid	-	1,18,677
5 Outstanding Balance - Amount Receivables	14,83,32,823	14,48,42,646
(F) Transactions with Joint Ventures		
1 Sales	31,26,60,376	10,32,37,002
2 Outstanding Balance - Amount Receivables	45,88,33,360	31,64,81,365
(G) Transactions with Persons referred to in Item (C) above		
1 Remuneration paid during the year	2,64,99,154	53,52,178
2 Sitting Fees	10,000	10,000
(H) Transactions with Other Persons		
1 Remuneration paid during the year	43,11,720	42,73,375

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

28 Contingent Liabilities

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

(Amount in ₹ Lakhs)

Sr. No.	Particulars	2016-17		2015-16	
1	Outstanding Letter of Credits / Bank Guarantee		14,824.57		30,607.47
2	Dispute with Suppliers		466.03		442.54
3	Corporate Guarantees		63,234.45		85,135.45
4	Counter Guarantees	60,177.00		60,788.00	
	Less : Corporate Guarantees of Minority Share Holders in favour of the Company	716.82	59,460.18	716.82	60,071.18
5	Late payment and over limit charges on credit card		588.58		-

29 The accumulated losses for the year ended 31st March, 2017 have resulted in Holding Company's erosion of more than 50 percent of its peak net worth during the immediately preceding five financial years. However, the management is of the opinion that subject to approval of Master Restructuring Agreement by banks, the Holding Company will be able to return to profitability over the next few years and may be in position to repay Loans and pay statutory dues. Hence, the financial statements have been prepared assuming that the Holding Company and its subsidiaries will continue as a going concern. No adjustments are hence made in the financial statements that might result from the outcome of this uncertainty.

30 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 31.03.2017		As at 31.03.2016	
			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 Tollways Ltd.	India	74%	74%	74%	74%
6	Valecha Kachchh Toll Roads Ltd.	India	58%	58%	58%	58%

31 The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the table below (Refer Note no. 14):

(Amount in ₹ Lakhs)

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	60.90	96.43	157.33
Add: Permitted receipts	48.22	243.57	291.79
Less: Permitted payments	11.98	64.55	76.53
Less: Amount deposited in Banks	97.14	165.44	262.58
Closing cash in hand as on 30.12.2016	-	110.01	110.01

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

- 32 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of the enterprise	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount in ₹ Lakhs	As % of consolidated Profit or loss	Amount in ₹ Lakhs
1	2	3	4	5
Parent				
Valecha Engineering Limited	(0.21)	4,512.59	0.25	(6,618.95)
Subsidiary				
Indian				
Valecha Infrastructure Ltd.	0.50	(10,908.28)	0.42	(11,245.28)
Professional Realtors Pvt. Ltd.	(0.00)	0.77	-	-
Valecha LM Toll Pvt. Ltd.	0.33	(7,254.48)	0.05	(1,420.20)
Valecha Badwani Sendhawa Tollways Ltd.	0.05	(1,112.57)	0.01	(297.42)
Valecha Kachchh Toll Roads Ltd.	0.20	(4,459.07)	0.27	(7,366.21)
Foreign				
Valecha International (FZE)	(0.00)	26.44	-	-
Minority Interest in all Subsidiaries	0.11	(2,439.24)	0.13	(3,541.84)
Associates (Investments as per Equity Method)	NIL	NIL	NIL	NIL
Joint Ventures (As per proportionate Consolidation / investment as per Equity method)	NIL	NIL	NIL	NIL

- 33 A few banks have classified the Holding Company's Bank Accounts as Non Performing Assets (NPAs). They have reversed the interest charged to the Holding Company, but not realised and stopped charging further interest and transferred these amounts to "Memorandum Account" as per the Circular (as amended) by the Reserve Bank of India. The Holding Company, on prudential basis, has provided interest of ₹ 4,047.13 Lakhs payable on such NPA Bank Accounts in Books of Account.
- 34 The Holding Company has not provided for interest on payment of delayed statutory dues. The same will be quantified and recognised at the time of actual payment. However the Management does not expect any material impact of such interest.
- 35 During the current financial year one of the subsidiary company has sold 35,74,246 shares of M/s. Jyoti Structures Limited at a loss of ₹51,31,78,502. Loss on sale of investment has been recognised based on the average value of shares at the end of current financial year. Further the subsidiary company has provided diminution in the value of remaining 18,57,154 shares based on the proceeds realised from sale of such investment.
- 36 The previous years figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

For and on behalf of the Board

Vijay Kumar H. Modi
Company Secretary & Legal

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Anil S. Korpe
Chief financial Officer

Dinesh H. Valecha
Director
DIN : 00012945

Place : Mumbai.
Date : 16th August, 2017

Tarun Dutta
Director
DIN : 07867786



VALECHA ENGINEERING LIMITED

Reg. Office: Valecha Chambers, 4th Floor, Plot No. B-6, Andheri New Link Road, Andheri (West), Mumbai 400 053
Tel: 022 4263 3200 E-mail: investor.relations@valecha.in • Website: www.valechaeng.com
CIN: L74210MH1977PLC019535

ATTENDANCE SLIP 40th Annual General Meeting to be held on 29th September, 2017

DP ID/ Client ID/ Folio No. _____

Name of Member _____ Signature _____

Name of the Proxy holder _____ Signature _____

No. of Shares _____

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 40th Annual General Meeting of the Company to be held on **Friday, 29th September, 2017**. Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400 001, India.

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members/ proxy are requested to bring a copy of the Annual Report at the meeting.

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ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User Id	(Pan/Seq. No.)

NOTE: please read the complete instructions given under the Note to the Notice of Annual General Meeting. The e-voting time starts from Tuesday the 26th September, 2017 from 9.00 A.M. and ends on Thursday, the 28th September, 2017 at 5.00 P.M. The voting module shall be disabled by NSDL for voting thereafter.

PROXY FORM / FORM MGT 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Members	
Registered Address	
Email ID:	
Folio No/ DP ID-Client ID	

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

- (1) Name: Address:
Email ID: Signature: or failing him
- (2) Name: Address:
Email ID: Signature: or failing him
- (3) Name: Address:
Email ID: Signature: or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company, to be held on Friday, 29th September, 2017 at 10:30 a.m. **Babasaheb Dahanukar Sabhagriha**, Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400 001, India and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Particulars	For	Against
1	Consider and Adopt:		
	a. Audited Financial Statements as on 31.03.2017, Reports of the Board of Directors and Auditors thereon.		
	a. Audited Consolidated Financial Statements as on 31.03.2017 and Report of the Auditors thereon.		
2	Appointment of Auditors M/s Kanu Doshi Associates, LLP and fixing their remuneration for 5 years		
3	Re-appointment of Mr. Jagdish K. Valecha as Vice Chairman cum Managing Director for 3 years		
4	Re-appointment of Mr. Dinesh H. Valecha as Whole Time Director for 1 year		
5	Regularization of Appointment of Mr. Tarun Dutta		
6	Appointment and payment of remuneration to Mr. Tarun Dutta as Whole Time Director for 1 year		
7	Appointment of Mr. Ketan Gandhi as Independent Director w.e.f. 25.09.2017 for a period of 5 years		
8	Appointment of Mrs. Sonal Jitija as Non-Executive Director w.e.f. 25.09.2017		
9	Approval of the remuneration of the Cost Auditors		
10	Charge a fee from members of the Company for service of documents in a particular mode		

Signed this day of2017

Signature of Shareholder:

Signature of Proxy holder(s):

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the resolutions, explanatory statement and notes please refer to the notice of the 40th Annual General Meeting.
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights.
- A member holding more than 10% of the total share capital carrying voting rights may appoint a single person as Proxy and such person shall not act as proxy for any other member.
- In case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion to the vote of the other joint holders. Seniority shall be determined by the order in which the name stand in the register of members.

Affix
Revenue
Stamp



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BALLOT PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

1. Name and Registered address of the sole/first named member:
2. Name(s) of the Joint holder (if any):
3. Registered Folio No./ DP ID No. and client ID No.:
4. Number of share(s) held:
5. EVEN (Electronic Voting Event Number) :105822
6. User ID:
7. Password:

I hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 40th Annual General Meeting of the Company to be held on Friday, 29th September, 2017, by sending my/our assent or dissent to the said resolution in the following manner:

Sr. No.	Particulars	For	Against
1	Consider and Adopt:		
	a. Audited Financial Statements as on 31.03.2017, Reports of the Board of Directors and Auditors thereon.		
	b. Audited Consolidated Financial Statements as on 31.03.2017 and Report of the Auditors thereon.		
2	Appointment of Auditors M/s Kanu Doshi Associates, LLP and fixing their remuneration for 5 years		
3	Re-appointment of Mr. Jagdish K. Valecha as Vice Chairman cum Managing Director for 3 years		
4	Re-appointment of Mr. Dinesh H. Valecha as Whole Time Director for 1 year		
5	Regularization of Appointment of Mr. Tarun Dutta		
6	Appointment and payment of remuneration to Mr. Tarun Dutta as Whole Time Director for 1 year		
7	Appointment of Mr. Ketan Gandhi as Independent Director w.e.f. 29.09.2017 for a period of 5 years		
8	Appointment of Mrs. Sonal Jitiya as Non-Executive Director w.e.f. 29.09.2017		
9	Approval of the remuneration of the Cost Auditors		
10	Charge a fee from members of the Company for service of documents in a particular mode		

* Please put a tick mark (✓) in appropriate column against the resolution indicated above. In case of member/ proxy wishes his/ her vote to be used differently, he/she should indicate the number of shares under the columns 'For', 'Against'

Place:

Date:

Signature of Member

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GENERAL INSTRUCTIONS:

1. This Ballot Paper is provided for the benefit of members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
2. A Member can opt for only one mode of voting i.e. either by e-voting or through Ballot. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the Ballot Paper shall be treated as invalid.
3. For detailed instructions on e-voting, please refer the notes appended to the Notice of AGM.
4. Facility of voting through Ballot Paper shall also be made available at the venue of the AGM. Members attending the AGM, who have not cast their vote by remote e-voting or through Ballot Paper, shall be able to exercise their right at the AGM.
5. Members who have cast their vote by remote e-voting or through Ballot Paper prior to the AGM may also attend the AGM, but shall not be entitled to vote again at the AGM.

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING BALLOT PAPER:

6. Please complete and sign the Ballot Paper (no other Paper or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. Ragini Chokshi & Co., Practising Company Secretaries through self-addressed Business Reply envelope.
7. The Ballot Paper should be signed by the Member as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Ballot Paper should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of POA. Exercise of vote by Ballot is not permitted through proxy.
8. In case the shares are held by companies, financial institutions, trusts, bodies corporate, societies, etc; the duly completed Ballot Paper should be accompanied by a certified true copy of the relevant Board Resolution/Authorization letter.
9. Votes should be cast in case of each resolution, either in favour or against by putting the tick (v) mark in the column provided in the Ballot. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed the Member's total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
10. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on 22nd September, 2017 ("Cut-Off Date"). A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, voting through Ballot Paper, or voting at the venue of the meeting through ballot.
11. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the Cut Off date i.e. 22nd September, 2017, may request the Company / Registrar and Transfer Agent and obtain Ballot Paper to cast the vote or can download the same from the website of the Company at www.valechaeng.com
12. Duly completed Ballot Paper should reach the Scrutinizer not later than the close of working hours (5.00 p.m.) on Thursday, 28 September, 2017. Ballot Paper(s) received after this time and date will be strictly treated as if the reply from the members has not been received.
13. A Member may request for a duplicate Ballot Paper, if so required. However, duly filed in and signed duplicate Ballot Paper should reach the Scrutinizer not later than the date and time specified in serial no. 12 above.
14. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Paper(s) will be rejected. Ballot Paper may be rejected if it is torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
15. The decision of Scrutinizer on the validity of the Ballot Paper and any other related matter shall be final.
16. The results of the voting shall be declared not later than 48 hours from the conclusion of the Annual General Meeting of the Company. The Chairman or any other person authorized by the Chairman shall declare the result of voting forthwith.
17. The Results along with the Scrutinizers Report shall be placed on the Company's' website www.valechaeng.com and on the website of NSDL immediately after the results are declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to BSE Limited and National Stock Exchange Limited

If undelivered, please return to:

VALECHA ENGINEERING LIMITED

Registered Office:

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