



VALECHA
REDEFINING INFRASTRUCTURE

VALECHA ENGINEERING LIMITED



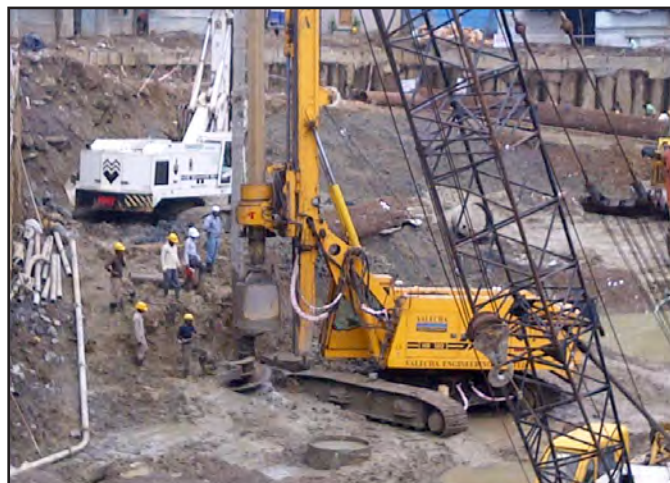
Annual Report 2011-2012



CIDC Vishwakarma Award 2012 being received from
Shri Virbhadra Singh – Union Minister for Small, Micro and Medium Industries.



2 BOT Projects Lebad Manpur
and Badwani Sendhwa completed ahead of schedule.



Pile Foundation

Board of Directors

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

Company Secretary

Kavita Valecha Sharma

Auditors:

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

Consortium Bankers:

State Bank of India
Canara Bank
Axis Bank Ltd.
Standard Chartered Bank

Solicitors:

M/s. Bharucha & Partners
M/s. Kirit Damania & Co.
M/s. Luthra & Luthra

Registrars and Transfer Agents:

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

Registered Office:

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

Contents

Notice.....	2
Directors’ Report.....	4
Report on Corporate Governance	7
Management Discussion and Analysis Report.....	14
Auditors’ Report	15
Balance Sheet.....	18
Statement of Profit & Loss.....	19
Cash Flow Statement	20
Notes on Financial Statements.....	22
Balance Sheet Abstract and Company’s General Business Profile.....	35
Statement Pursuant to Section 212	36
Financial Information Regarding Subsidiary Companies	36
Consolidated Financial Statements	37

NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on 17th September, 2012 at 4.00 p.m. at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the statement of Profit & Loss Account for the Financial year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in the place of Mr. Anil Harish who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Umesh H. Valecha who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Auditors and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the retiring auditors M/s. D. M. Jani & Co., Chartered Accountants, being eligible for re-appointment, be and are hereby appointed to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration of such sum as may be fixed by the Board of Directors/ any Committee of the Board of Directors, plus service tax and reimbursement of out of pocket expenses as may be incurred in the performance of their duties."

By order of the Board

KAVITA VALECHA SHARMA
Company Secretary

Place : Mumbai
Date : 26th July, 2012

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.

The instrument of proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

- (B) The Register of Members and Share Transfer Books of the Company will remain closed from the 11th September, 2012 to 17th September, 2012 (both days inclusive).
- (C) The dividend declared at the meeting, will be made payable on or before 16th October, 2012 as applicable, in respect of shares held in physical form to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfer lodged with the Company on or before the end of business hours on Tuesday, the 11th September, 2012 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as on that date.
- (D) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto and including the financial year ended on 31st March, 2004 have been transferred to the Investor Education and Protection Fund of Central Government.

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to Investors Education and Protection Fund (the Fund) set up by the Government of India and no payment shall be made in respect of any such claims by the fund. Members who have not yet encashed their dividend for the financial year ended 31st March, 2005 onwards are requested to make their claims to the Company accordingly, without any delay.

It may also be noted that once the unclaimed dividend is transferred to the credit of the said Fund, as above, no claim shall lie in respect thereof.

- (E) Members are requested to notify immediately any change in their address to the Company and details about their Bank Account Number, Name of the Bank, Bank's Branch name and address to enable the Company to draw dividend payable accordingly. In respect of shares

held in electronic form, the instruction regarding change of address should be given directly to the Depository Participants and the Company cannot entertain any such request directly from the shareholders.

- (F) 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.
- (G) 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.
- (H) To avoid loss of dividend warrants in transit and undue delay in receipt thereof, members are advised to avail the facility for receipt of future dividends through National Electronic Clearing Service (NECS). The NECS facility is available at the locations identified by Reserve Bank of

India from time to time which covers most of the cities and towns. Members holding shares in physical form and who have not submitted the NECS details and desirous of availing NECS facility are requested to send to the Share Transfer Agents the details such as: the name of the Shareholder, Bank through which account held, Bank Account number and MICR details immediately and wherever possible the request shall be acceded to.

- (I) 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 10th September, 2012 so that the information required can be made available at the meeting.

By order of the Board

KAVITA VALECHA SHARMA
Company Secretary

Place : Mumbai
Date : 26th July, 2012

DIRECTORS' REPORT

To The Members,

The Directors present their Thirty Fifth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2012.

	(₹ in lacs)	
	2011-2012	2010-2011
1. Financial Results:		
Net Sales/Income from Operations	70462.42	72975.09
Other Income	1539.23	1801.57
	72001.65	74776.66
Less: Total Expenditure	64928.27	68646.96
Gross Profit Before Interest Depreciation, Taxes and Extraordinary Income	7073.38	6129.70
Less: Interest	2795.16	2310.12
Profit Before Depreciation, Tax and Extraordinary Income	4278.22	3819.58
Less: Depreciation	1045.75	951.83
Profit Before Extraordinary Income & Tax	3232.47	2867.75
Add: Extraordinary Income	24.09	482.00
Profit Before Tax	3256.56	3349.75
Provision for Tax:-		
Current Tax	775.00	635.62
Deferred Tax	243.29	234.81
Profit After Tax	2238.27	2479.32
Add: Balance Brought Forward from Last year	13300.76	12004.09
Prior year adjustment for Taxes & Others	(45.15)	(519.48)
Profit for Appropriation	15493.88	13963.93
APPROPRIATIONS		
Proposed Dividend	195.30	312.48
Tax on Dividend	31.68	50.69
Transfer to General Reserves	400.00	300.00
Balance carried to Balance Sheet	14866.90	13300.76
	15493.88	13963.93
Paid-Up Equity Share Capital	1953.00	1953.00
Reserves (Excluding Revaluation Reserves)	26866.09	23954.95
E.P.S. With Extraordinary Item		
— Basic	11.46	13.03
— Diluted	11.46	11.00
Without Extraordinary Item		
— Basic	11.34	10.49
— Diluted	11.34	8.86

2. Dividend:

The Directors recommend payment of dividend of ₹ 1.00 per share (Previous Year ₹ 1.60 per share) for the year ended 31st March, 2012 on fully paid Equity Shares, subject to approval by the members at the Thirty Fifth Annual General Meeting to be held on 17th September, 2012.

3. Operations:

The Profit Before Tax without Extraordinary Income (PBT) has increased by 12.72% from ₹ 2867.75 Lacs in the previous year to ₹ 3232.47 Lacs for the year 2011-2012, even though the turnover has decreased marginally by 3.44%. The Profit After Tax without Extraordinary Income (PAT) was ₹ 2214.18 Lacs for the 2011-2012 as compared to PAT of ₹ 1997.32 Lacs (without extraordinary income) for the previous year representing an increase by 11.5%.

4. Fixed Deposits:

The Company has accepted Fixed Deposits by way of invitation to the public. The outstanding amount of Fixed Deposits placed with your Company amounted to ₹ 3079.20 Lacs (previous year ₹ 3035.85 Lacs). There were no deposits, which were claimed and remained unpaid by the Company as on 31st March, 2012.

5. Outlook and Review:

The infrastructure and construction business in India is targeted to be at about 8% of the Indian GDP in the near future. With an annual expenditure of \$75 billion and a consistent growth of over 10%, it is the second-biggest economic activity in the Indian economy. A slated investment of \$1 trillion for the 12th Five Year Plan amply demonstrates the governmental focus on the sector. There are, however, some loose ends that Indian industry players need to tie up before they are at par with their counterparts in the global industry.

India has its own set of very unique problems which range from labour productivity to government policy reforms and even handling of bids at the macro level. There is a need to collaborate and work towards building systems and practices that enhance our productivity and effectively manage resources. Besides this, today's world economic instability with the rising interest rates and raw material fluctuations make construction difficult for any developer. Further, Industry issues such as land acquisition, obtaining statutory clearances, and enhancing project delivery through the concerted efforts of developers, contractors and service providers need to be focused upon. These volatilities in today's business environment are making it necessary for construction

companies to rethink their business models. Building a robust order pipeline with forays into new markets and sectors is the top priority to achieve growth. At the same time, with the given competitive landscape companies will need to continuously focus on operational efficiencies to maintain margins. Project management, superior engineering and design, and efficient procurement of resources will be the essential levers for operational excellence.

Given its pivotal role in the creation of infrastructure, as a regulator and a facilitator, the government must play a proactive role in fostering an enabling environment for growth.

Having said this, your Company is involved in different segments of Infrastructure and not restricted to one client thus spreading its risk. Also, the Company is focused on niche markets where there is high growth potential such as underground tunneling and elevated structures with specialized equipment.

We are also glad to inform you that our first two BOT projects of Lebad Manpur and Badwani Sendhwa at Madhya Pradesh were completed ahead of schedule and created records and won accolades at various forums for the same. The Company will focus on being awarded with new contracts and timely and quality delivery of projects to come in new financial year.

During the year the Company has bagged projects worth more than ₹ 1000 crores which include:

(i) Road Project at Chhatisgarh in Joint Venture (60:40), (ii) Project for Improvement and Widening of Bhuj-Bhachau Road in the State of Gujarat on Build, Operate and Transfer (BOT) Basis in Joint Venture (51:49), (iii) Bridge Project at Kota, (iv) Road Project under MPSRP-III at Madhya Pradesh, (v) Road Project in Western Suburbs of Municipal Corporation of Greater Mumbai, (vi) Tunnel Project for Delhi Metro Rail Corporation Limited, (vii) Drain work in Delhi of Municipal Area.

6. Directors:

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Anil Harish and Mr. Umesh H. Valecha retire by rotation and are eligible for re-appointment.

7. Auditors Report and Re-appointment of Auditors:

M/s. D. M. Jani & Co., the Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment, pursuant to Section 224 of the Companies Act, 1956. Members are requested to consider re-appointing them as Auditors.

The observations made in the Auditors Report are self-explanatory and therefore, do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

8. Capital and Listing of Shares:

The securities of the Company are listed and traded in compulsory dematerialized form on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Your Company has paid the Annual Listing fees to the Stock Exchanges and Depositories up to date.

9. Transfer to Reserves:

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

10. Subsidiary:

Your Company has following subsidiaries:

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

In terms of general exemption granted by the Ministry of Corporate Affairs, Government of India, vide its Circular No. 2/2011 dated February 8, 2011, and in compliance with the conditions enlisted therein, the reports and annual accounts of the subsidiary companies for the financial year ended March 31, 2012 have not been attached to the Company's Accounts. However Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Accounting Standards (AS) 21, form part of the Annual Report

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

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

11. Code of conduct:

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

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

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

A. Conservation of Energy:

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

B. Technology absorption:

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

C. Foreign Exchange Earnings & Outgo:

(₹ in lacs)

	Current Year	Previous Year
Foreign Exchange Outgo	1921.15	1132.13
Foreign Exchange Earned	Nil	Nil

13. Particulars of Employees:

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

14. Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Reports on Management Discussion and Analysis, Corporate Governance as well as Auditors'

Certificate regarding compliance of condition of Corporate Governance, form part of this Annual Report.

15. Director's Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that in the preparation of the annual accounts, the applicable accounting standards have been followed. Appropriate accounting policies have been selected and applied consistently, and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for that period. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

16. Acknowledgements:

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

For and on Behalf of the Board

ANIL HARISH
Chairman

Place : Mumbai
Date : 26th July, 2012

ANNEXURE

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of Governance:

The Company believes that consistent implementation of good corporate governance practices contributes towards sustaining and developing the business of the Company.

The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship & disclosures serve as the means for implementing the philosophy of Corporate Governance.

It is the application of best management practices, compliance of law and adherence to ethical standards to achieve the organization goal of enhancing stakeholders value.

We remain committed to maximizing stakeholders value comprising of Shareholders, Customers, Government and Society at large.

2. Board of Directors:

The Board of the Company consists of 6 (Six) Directors of which 3 (Three) are Executive Directors and 3 (Three) are Non-Executive Directors and out of 6 (Six) Directors 3 (Three) are Independent Directors and 3 (Three) are Non-Independent Directors.

During the year 2011-2012, the Board met Six times, with at least one meeting in every quarter and with a gap of less than four months between two meetings on the following dates, namely 27th May, 2011, 10th June, 2011, 11th August, 2011, 4th October, 2011, 14th November, 2011 and 14th February, 2012.

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

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

Name	Category	Attendance particulars		Number of other Directorship and Committee Membership/Chairmanship		
		Board Meeting	Last AGM	Other Directorship (excluding Pvt. Ltd. Companies)	Committee Membership	Committee Chairmanship
Mr. Anil Harish	Non-Executive & Independent	6	Attended	13	6	4
Mr. J. K. Valecha	Executive & Non-Independent	5	Attended	2	2	—
Mr. D. H. Valecha	Executive & Non-Independent	4	Attended	2	1	—
Mr. U. H. Valecha	Executive & Non-Independent	4	Attended	2	—	—
Mr. G. Ramachandran	Non-Executive & Independent	4	Attended	—	—	2
Mr. Arvind Thakkar	Non-Executive & Independent	Nil	Not Attended	—	—	—

Details of Directors seeking appointment/reappointment at the 35th Annual General Meeting: (Pursuant to Clause 49 of the Listing Agreement):

1. Name:	Mr. Anil Harish
Age:	58 years
Qualifications:	B.A., LL.B., LL.M. (USA)
Shareholding as on 31-03-2012	86722 (0.44%)
Expertise:	Over 31 years of experience in taxation and other laws. Partner of M/s. D. M. Harish & Co., Advocate

Other Directorship:	Advani Hotels & Resorts (India) Ltd, Ador Welding Ltd, Ashok Leyland Ltd., Future Ventures India Ltd., Hotel Leela Venture Ltd., Hinduja Global Solutions Ltd., Hinduja Ventures Ltd., Hinduja Leyland Finance Ltd, Mukta Arts Ltd., Mahindra Lifespace Developers Ltd., Oberoi Realty Ltd., Pantaloon Retail (India) Ltd., Unitech Ltd.
Committee Member/ Chairmanship:	Member – Audit Committee (Hotel Leela Venture Limited) Member – Audit Committee (Future Venture India Limited) Member – Audit Committee (Unitech Limited) Member – Audit Committee (Valecha Engineering Limited) Member – Audit Committee (Mahindra Lifespace Developers Ltd.) Member – Audit Committee (Oberoi Realty Limited) Chairman – Audit Committee (Hinduja Ventures Ltd.) Chairman – Audit Committee (Hinduja Global Solutions Ltd.) Chairman – Audit Committee (Ador Welding Ltd.) Chairman – Audit Committee (Ashok Leyland Ltd.)
2. Name:	Mr. Umesh H. Valecha
Age:	36 years
Qualifications:	B.E. (Civil)
Shareholding as on 31-03-2012	2587 (0.01%)
Expertise:	Over 13 years of experience of Civil Construction Works.
Other Directorship:	Valecha Infrastructure Ltd. and Valecha Reality Ltd. (excluding private companies, foreign companies & section 25 companies)
Committee Member/ Chairmanship	Nil

3. Audit Committee:

As on 31st March, 2012 the Audit Committee consisted of Mr. G. Ramachandran – Chairman, Mr. J. K. Valecha – Member and Mr. Anil Harish – Member.

The Audit Committee met Four Times during the year 2011-2012 on 27th May, 2011, 11th August, 2011, 14th November, 2011 and 14th February, 2012 and the attendance of the member of the meeting was as follows:

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

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

To review the nature and scope of internal and external audit, the adequacy of internal control system and the financial reporting process to ensure the correctness and credibility of financial statements, to review quarterly and annual financial statements before submission to the Board, change in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, to ensure proper accounting policies and compliance with the Accounting Standards and stock exchange requirements regarding financial statements and reviewing over all company's financial and risk management policies and other related areas of the Company.

4. Remuneration Committee:

The committee comprises of (3) Directors, Mr. G. Ramachandran – Chairman, Mr. Arvind Thakkar – Member and Mr. Anil Harish – Member.

The remuneration Committee reviews the Company's policies on specific remuneration packages overall remuneration structure and perquisites, commission etc. payable to the Executive Directors and Non-Executive Directors. The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis. During the year the committee met once on 27th May, 2011.

Remuneration of Directors for 2011-2012:

(₹ in lacs)

Sr. No.	Name of Directors	Salary	Benefits	Sitting Fees	Commission	Total
1.	Mr. Anil Harish	—	—	0.30	7.50	7.80
2.	Mr. Jagdish K. Valecha	72.00	4.80	—	—	76.80
3.	Mr. Dinesh H. Valecha	41.68	1.71	—	—	43.39
4.	Mr. Umesh H. Valecha	41.75	0.79	—	—	42.54
5.	Mr. G. Ramachandran	—	—	0.20	5.00	5.20
6.	Mr. Arvind Thakkar	—	—	—	5.00	5.00
	Total	155.43	7.30	0.50	17.50	180.73

5. Shareholders/Investor Grievance Committee:

The Share Transfer/Investor Grievance Committee consist of 3 Directors Mr. J. K. Valecha (Executive & Non Independent), Mr. D. H. Valecha (Executive & Non-Independent) and Mr. G. Ramachandran (Non-Executive & Independent). Mr. G. Ramachandran, the chairman of the Committee is a Non-Executive Director. The Committee deals with all the matter relating to share holders and investors complaints and other related matters. The Committee overseas the performance of the Registrar and Share Transfer Agent and recommends measures for over all improvement of the quality of investor's services. The Committee held 16 meetings during the year 2011-2012. As of 31st March, 2012 there were no unresolved investors complaints pending and no shares pending for transfer.

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

Shareholders Complaints (Since 01.04.2011 to 31.03.2012):

No. of complaints received from shareholders	No. of complaints solved to the satisfaction of the shareholders	No. of complaints pending
24	24	—
No. of complaints in SEBI		
2	2	—

6. Subsidiary Companies:

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

7. Code of Conduct:

The Board has laid down the Code of Conduct for all Board members and Senior Managerial Personnel of the Company. All the Directors & Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect duly signed by Managing Director of the Company is attached herewith and forms Part of Corporate Governance Report.

8. General Body Meetings:

The last three Annual General Meeting of the Company were held as follows:

Date	Time	Details of Special Resolution	Relevant Section
*29th July, 2011	4.00 p.m.	(i) Reappointment of Managing Director (ii) Appointment of Whole Time Directors (iii) Commission to Non-Executive Director	198, 269, 309 & 310 198, 269, 309 & 310 309
*30th July, 2010	4.00 p.m.	NIL	—
**20th August, 2009	4.00 p.m.	(i) Reappointment of Managing Director (ii) Appointment of Whole Time Directors	198, 269, 309 & 310 198, 269, 309 & 310

Venue – * Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

** M. C. Ghia Hall, Bhogilal Hargovindas Building, 19/20, Kaikhushru Dubhash Marg, Mumbai - 400 001.

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

9. Disclosures:

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. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. Consequently, there were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
3. The Director's Report includes details of Management Discussion and Analysis including Risks & Concerns.

10. Means of Communication:

- (i) The approved financial results are forwarded to the Stock Exchange and are published in the leading English and Regional newspapers.
- (ii) The Company's financial results and official news releases are displayed on the Company's Website www.valechaeng.com
- (iii) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

11. Secretarial Audit:

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

12. Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the same is posted on the Company's website "www.valechaeng.com". All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director has been obtained and is enclosed at the end of this report.

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

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

14. General Shareholder Information:

- * AGM :
 Date : 17th September, 2012
 Time : 4.00 p.m.
 Venue : Sunville Banquet Hall,
 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
- * Financial Calendar : 1st April, 2011 to 31st March, 2012
- * Book Closure : 11th September, 2012 to 17th September, 2012
- * Dividend Payment date : On or before 16th October, 2012
- * Listing on Stock Exchanges : Bombay Stock Exchange Limited
 National Stock Exchange of India Limited
 Luxembourg Stock Exchange (for GDR)
- * The listing fees for the financial year 2011-2012 of the stock exchange has been paid.

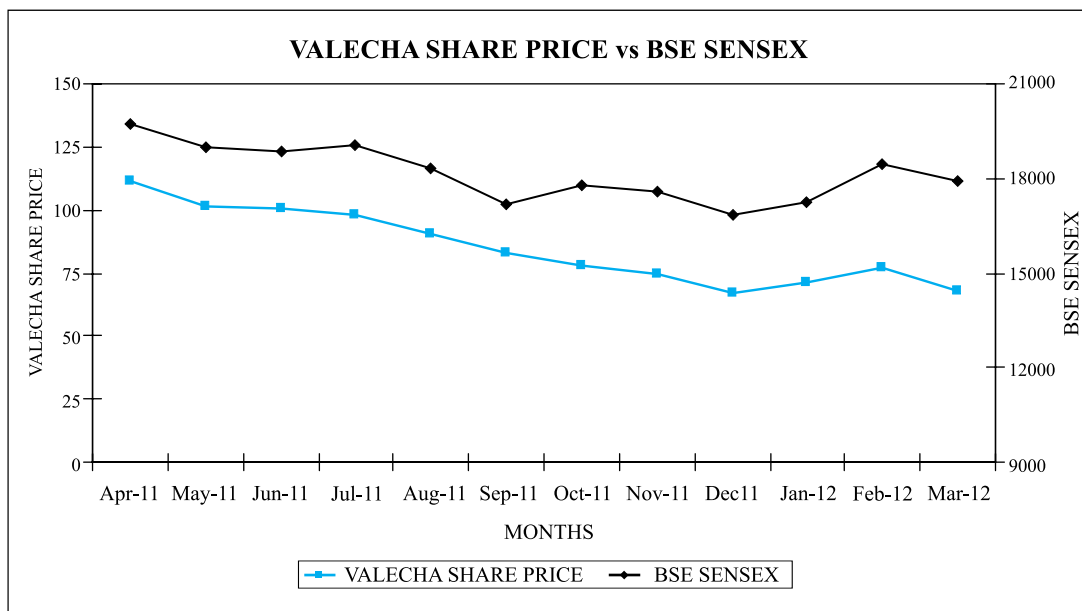
Listing on Stock Exchanges:

Name of Stock Exchange	Stock Code No.	Code on Screen
Bombay Stock Exchange Limited, (BSE)	532389	VALECHAEN
National Stock Exchange of India Limited, (NSE)	—	VALECHAENG
Luxembourg Stock Exchange (For GDR) — CUSIP No. ISIN No.	91911Q109 US91911Q1094	— —

* Market Price data:

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

Month	BSE		NSE	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April, 2011	111.55	97.95	111.55	97.75
May, 2011	101.65	88.50	101.95	88.45
June, 2011	100.75	94.05	100.85	93.65
July, 2011	98.35	86.90	98.55	87.00
August, 2011	90.55	68.30	90.50	67.15
September, 2011	82.70	73.65	82.35	73.60
October, 2011	78.30	72.75	78.45	72.35
November, 2011	74.55	56.90	74.55	57.60
December, 2011	66.70	43.55	66.90	43.60
January, 2012	70.95	43.65	71.25	43.55
February, 2012	77.15	64.20	77.05	64.05
March, 2012	68.15	57.30	67.95	57.25



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

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

* Distribution of Shareholding : As on 31st March, 2012.

Distribution of Holdings (as on 31st March, 2012)

Shareholding of Nominal Value		Shareholders		Share Amount	
₹	₹	No.	% To Total	₹	% To Total
1	5,000	12295	87.24	16484010	8.44
5,001	10,000	879	6.24	6891940	3.53
10,001	20,000	466	3.31	6908140	3.54
20,001	30,000	184	1.30	4605840	2.35
30,001	40,000	53	0.38	1906670	0.98
40,001	50,000	47	0.33	2162260	1.11
50,001	1,00,000	78	0.55	5641600	2.89
1,00,001	Above	92	0.65	150699790	77.16
TOTAL		14094	100.00	195300250	100.00

Share Holding Pattern

Sr. No.	Category	No. of Shares	%
1.	Promoters (Promoter group)	9615700	49.24
2.	NRI's	1106185	5.66
3.	Bodies Corporate	1846056	9.45
4.	Financial Institution/Mutual Fund	709964	3.64
5.	Foreign Institution Investors	550000	2.82
6.	Others:		
	Independent Directors	387409	1.98
	Shares held by Custodians issued against GDRs	371250	1.90
	Indian Public	4943461	25.31
	TOTAL	19530025	100.00

* Dematerialization of Shares: As on 31st March, 2012, 97.89% of the Company's total shares representing 1,91,17,232 Shares were held in dematerialised form.

* Outstanding GDRs/ADRs/Warrants: There were no outstanding GDRs/ADRs/Warrants as on 31st March, 2012.

The Share are available in Demat form with:

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

* Plant Location: The Company has various sites.

* Address for correspondence:

(1) Company:

VALECHA ENGINEERING LIMITED

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

Tel : 022 - 2673 3625 to 29

Fax : 022 - 2673 3945

E-mail : ho@valecha.in/investor.relations@valecha.in

(2) Registrar:

TSR Darashaw Limited

6-10 Haji Moosa Patrawala Ind. Estate
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai-400 011.

Tel. : 022-66568484

Fax : 022-66568494

15. DECLARATION UNDER CODE OF CONDUCT:

As required under Clause 49(ID) of the Listing Agreement, it is hereby affirmed that all the Board members and Senior Management Personnel have complied with Code of Conduct of the Company. The Code of the Conduct has been posted on the web-site of the Company.

JAGDISH K. VALECHA
Managing Director

Date : 26th July, 2012

Place : Mumbai

Auditors' Certificate on Clause 49 Compliance of Listing Agreement

To,
The Members of
Valecha Engineering Limited

We have examined the Compliance of conditions of Corporate Governance by Valecha Engineering Limited, for the year ended on 31st March, 2012, as stipulated in the Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

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

DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 26th July, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure and Developments:

The construction industry contributes about 8 percent to the Gross Domestic Product (GDP) at present. Apart from its economic contribution, it is also the second largest source of employment, after the agriculture sector, offering a livelihood to about 33 million people.

Over the last five years, despite two phases of global slowdown, the industry has shown high levels of activity, due to an enhanced focus on improving and upgrading infrastructure.

(b) Opportunities and Threats/Risks and concerns:

The thrust on infrastructure has opened up opportunities both through direct construction contracts as well as for ancillary industries, including the equipment manufacturers and material supply markets. The importance of infrastructure as a driver for the construction industry can be gauged from the fact that nearly 60 per cent of infrastructure investments contribute to construction activity.

Stiff competition leading to price-cuts and low operating margins, sustained increase in prices of certain materials used in constructions such as steel, cement, building materials and petroleum products, adapting to technological changes and having suitable manpower are they key issues/concerns to post major threats in the growth of Construction Industry.

During the last three years, capacity addition from most infrastructure sectors has increased, in turn generating significant demand for the construction industry.

The key challenges of Economic Problems of rising interest rates and raw material fluctuations coupled with Industry Problems of land acquisition, obtaining statutory clearances, and enhancing project delivery through the concerted efforts of developers, contractors and service providers need to be focused upon. Resolution of these issues will have a direct bearing on meeting the infrastructure needs, and thus affect the targeted economic growth.

(c) Segment wise performance & outcome:

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

(d) Outlook:

The extensive road network in India, the second largest in the world, has been the successful playground for a Public Private Partnership (PPP) mode of execution. The roads sector has elicited the maximum attention and optimism among private players. The Indian Government initiated several fiscal and structural reforms to encourage the participation of the private sector in road projects.

Government action aimed at removing hurdles to timely project execution, addressing fuel scarcity and initiating sector reforms strengthening the rupee and curbing inflation and lowering interest rates through a syndicated effort will go a long way and stabilize the industry and bring it back on the growth trajectory.

(e) Internal Control Systems and Their Adequacy:

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

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

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

The Profit Before Tax without Extraordinary Income (PBT) has increased by 12.72% from ₹ 2,867.75 Lacs in the previous year to ₹ 3,232.47 Lacs for the year 2011-2012, even though the turnover has decreased marginally by 3.44%. The Profit After Tax without Extraordinary Income (PAT) was ₹ 2,214.18 Lacs for the 2011-2012 as compared to PAT of ₹ 1,997.32 Lacs (without extraordinary income) for the previous year representing an increase by 11.5%.

(g) Human Resources/Industrial Relations:

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

(h) Cautionary Statement:

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

REPORT OF THE AUDITOR TO THE MEMBERS

We have audited the attached Balance Sheet of VALECHA ENGINEERING LIMITED, as at 31st March, 2012, the Statement of Profit and Loss and also Cash Flow Statement for year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Audit Report) Order, 2003 issued by the Central Government of India in terms of sub-section 4(A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books, proper information/explanations and records adequate for the purposes of our audit have been received from the Project Sites not visited by us.

- (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) In our opinion and based on information and explanations given to us, none of the Director is disqualified as on 31st March, 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

DILIP M. JANI
Proprietor
 Membership No. 17259

Place : Mumbai
 Date : 30th May, 2012

ANNEXURE TO THE AUDITOR'S REPORT

ANNEXURE REFERRED TO IN ITEM NO. 2 OF THE REPORT OF THE AUDITOR TO THE MEMBERS OF VALECHA ENGINEERING LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012.

We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) All the assets were physically verified by the Management in a phased periodic manner during the year, which in our opinion is reasonable having regards to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
3. (a) The Company has not taken loan from companies covered in the register maintained under section 301 of the Companies Act, 1956. There are ten companies covered in the register maintained under section 301 of the Companies Act, 1956 to whom the company has granted loans. The maximum amount involved during the year was ₹ 16,697.81 lacs and the year-end balance of loans granted to such parties was ₹ 16,697.81 lacs.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The parties have been regular in the payment of principal and interest as per stipulation, if any.
- (d) There is no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of Inventory and Fixed Assets and also for the Sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Tribunal on the Company in respect of the above said Deposits.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, to

the extent applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and the records of the Company examined by us there are no dues of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Service Tax and Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions and Banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given the corporate guarantee for

loans taken by its ultimate subsidiaries from the banks, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.

16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanation given to us, during the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, during the period the Company has not issued any Debentures.
20. The Company has not raised any money by public issues during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 30th May, 2012

BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTES	As at 31st March, 2012		As at 31st March, 2011	
I. EQUITY AND LIABILITIES :					
1. Shareholders' Funds :					
(a) Share Capital	1	19,53,00,250		19,53,00,250	
(b) Reserves & Surplus	2	2,69,46,51,576		2,40,42,33,401	
(c) Money Received against Preferential Warrants		—	2,88,99,51,826	9,45,00,000	2,69,40,33,651
2. Non Current Liabilities :					
(a) Long Term Borrowings	3	1,11,43,93,888		1,07,81,61,153	
(b) Deferred Tax Liabilities (Net)	4	22,97,90,415		20,54,61,406	
(c) Other Long Term Liabilities	5	1,99,63,00,470	3,34,04,84,773	1,01,29,89,358	2,29,66,11,917
3. Current Liabilities :					
(a) Short Term Borrowings	6	92,84,73,938		70,74,02,024	
(b) Trade Payables	7	1,02,55,59,478		1,10,91,48,653	
(c) Other Current Liabilities	8	1,26,33,19,659		85,14,50,582	
(d) Short Term Provisions	9	23,05,01,894	3,44,78,54,969	16,66,20,864	2,83,46,22,123
Total			9,67,82,91,568		7,82,52,67,691
II. ASSETS :					
1. Non Current Assets :					
(a) Fixed Assets :	10				
(i) Tangible Assets		1,67,18,85,760		1,55,82,19,350	
(ii) Capital Work in Progress		45,251	1,67,19,31,011	2,10,85,531	1,57,93,04,881
(b) Non Current Investments	11		72,90,83,566		16,22,77,156
(c) Long Term Loans & Advances	12		95,18,471		99,90,883
2. Current Assets :					
(a) Inventories	13	44,58,20,620		42,10,12,753	
(b) Trade Receivables	14	2,10,75,64,427		1,87,75,61,966	
(c) Cash and Cash Equivalents	15	55,04,51,996		54,31,00,364	
(d) Short Term Loans & Advance	16	4,10,05,99,744		3,21,87,98,345	
(e) Other Current Assets	17	6,33,21,733	7,26,77,58,520	1,32,21,343	6,07,36,94,771
Total			9,67,82,91,568		7,82,52,67,691
Significant Accounting Policies					
Notes on Financial Statements	1 to 31				

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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.
Date : 30th May, 2012.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTES	As at 31st March, 2012		As at 31st March, 2011	
I. INCOME					
Revenue from Operations	18		7,04,62,42,373		7,29,75,09,219
Other Income	19		15,39,23,240		18,01,57,243
Total Revenue			7,20,01,65,613		7,47,76,66,462
II. EXPENSES					
Construction Expenses	20		6,06,82,78,002		6,46,70,92,955
Changes in Inventories	20		(2,48,07,867)		(1,30,18,501)
Employee Benefit Expenses	21		34,94,41,387		31,45,98,859
Financial Cost	22		27,95,16,155		23,10,11,882
Depreciation and Amortisation Expense	23		10,45,74,567		9,51,83,177
Other Expenses	24		9,99,16,470		9,60,22,168
Total Expenses			6,87,69,18,714		7,19,08,90,540
III. PROFIT BEFORE EXTRAORDINARY ITEM & TAX			32,32,46,899		28,67,75,922
IV. Extraordinary Item (Income)			24,09,261		4,81,99,703
V. PROFIT BEFORE TAX (III + IV)			32,56,56,160		33,49,75,625
VI. TAX EXPENSES					
Current Tax		7,75,00,000		6,35,62,000	
Deferred Tax		2,43,29,009		2,34,81,348	
			10,18,29,009		8,70,43,348
VII. PROFIT FOR THE YEAR (V – VI)			22,38,27,151		24,79,32,277
Significant Accounting Policies					
Notes on Financial Statements	1 to 31				
Earning Per Share (in ₹)					
Basic – With Extraordinary Income			11.46		13.03
– Without Extraordinary Income			11.34		10.49
Diluted – With Extraordinary Income			11.46		11.00
– Without Extraordinary Income			11.34		8.86

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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.
Date : 30th May, 2012.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	As at 31.03.2012	As at 31.03.2011
A. Cash flow from Operating Activities		
Profit Before Tax and Extraordinary Items	32,32,46,899	28,67,75,922
Add/(Deduct) Adjustment for :		
Depreciation	10,45,74,567	9,51,83,177
Financial cost	27,95,16,155	22,45,09,423
Loss/(Profit) on Foreign Exchange	(1,51,29,496)	65,02,459
Dividend on Investment	—	(9,23,881)
Rent from Property	(5,36,73,441)	(5,55,02,904)
Miscellaneous Income	(2,86,38,655)	(2,76,87,687)
Interest Earned	(5,64,81,648)	(8,66,07,257)
Loss/(Profit) on Sale of Fixed Assets	1,08,64,032	(94,35,514)
Operating Profit Before Working Capital Changes	56,42,78,413	43,28,13,738
Adjustment for :		
Trade and Other Receivables	(1,07,42,30,326)	(71,93,97,959)
Inventories/WIP	(7,49,08,256)	5,67,69,979
Trade and other Payables	1,24,50,55,181	61,06,31,388
Cash Generated From Operations	66,01,95,012	38,08,17,146
Direct Taxes (Paid)	(8,82,22,739)	5,89,00,520
Prior year adjustments	(45,14,785)	(5,19,47,864)
Net Cash Flow from Operating Activities	56,74,57,488	38,77,69,802
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(32,90,23,789)	(30,27,36,415)
Proceeds from Sale of Fixed Assets	9,92,22,872	7,44,25,180
Changes in Capital Work in Progress	2,10,40,280	—
Proceeds from Sale of Investments	(56,68,06,410)	(7,93,93,095)
Advance to Subsidiary Company	5,11,21,616	(65,75,23,447)
Dividend on Investment	—	9,23,881
Interest Earned	5,64,81,648	8,66,07,257
Profit/(Loss) on Foreign Exchange	1,51,29,496	(65,02,459)
Profit on sale of investment	24,09,261	4,81,99,703
Rent and Miscellaneous Receipts	8,23,12,096	8,31,90,591
Net Cash From Investing Activities	(56,81,12,930)	(75,28,08,804)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012 — (Contd.)

(Amount in ₹)

PARTICULARS	As at 31.03.2012	As at 31.03.2011
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	—	95,00,000
Proceeds from Share Premium	—	2,75,50,000
Proceeds from Long Term Borrowings - Banks	9,84,33,568	61,77,08,070
Proceeds from Unsecured Borrowings	43,35,000	14,62,19,000
Proceeds from Short Term Borrowings	22,10,71,914	(14,01,00,608)
Financial Cost	(27,95,16,155)	(22,45,09,423)
Dividend Paid	(3,12,48,040)	(2,78,70,038)
Dividend Tax Paid	(50,69,213)	(47,36,513)
Net Cash Used in Financing Activities	80,07,074	40,37,60,488
Net Increase in Cash and Cash Equivalents	73,51,632	3,87,21,486
Opening Balance of Cash and Cash Equivalents	54,31,00,364	50,43,78,878
Closing Balance of Cash and Cash Equivalents	55,04,51,996	54,31,00,364

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

Dilip M. Jani
Proprietor

Place : Mumbai.
Date : 30th May, 2012.

For and on behalf of the Board

Anil Harish
Chairman

J. K. Valecha
Managing Director

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

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

B. Use of estimates

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

C. Fixed Assets

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

D. Depreciation and amortisation

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

E. Inventories

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

F. Investments

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

G. Revenue recognition

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

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

H. Other income

Interest income is accounted on accrual basis.

Extraordinary Income of ₹ 24,09,261/- (Previous Year – ₹ 4,81,99,703/-) pertains to Profit on Sale of 60,000 Nos. (Previous Year 8,00,000 Nos.) of Shares of M/s. Jyoti Structures Ltd.

I. Foreign currency transactions

Transactions denominated in Foreign Currency are normally recorded at Exchange Rate prevailing at the time of transactions. Current assets/ Investments denominated in Foreign Currency are translated at the rate prevailing at the end of the year and the net gain/loss is recognized in Profit and Loss Account.

J. Segment reporting

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

K. Provision for Current and Deferred Tax

Current Tax :

The Provision for Income Tax is determined in accordance with provisions of Income Tax Act 1961.

Deferred Tax :

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

L. Provisions and contingencies

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012		As at 31.03.2011	
1. SHARE CAPITAL				
Authorised				
3,50,00,000 Equity Shares of ₹ 10/- each		35,00,00,000		35,00,00,000
Issued & Subscribed				
1,95,30,025 Equity Shares of ₹ 10/- each fully paid-up.		19,53,00,250		19,53,00,250
		19,53,00,250		19,53,00,250

(Of the above Shares 39,84,450 Shares (F.Y. 2007-2008) and 59,76,675 Shares (F.Y. 2008-09) are allotted as fully paid-up by way of Bonus Shares in the last Five Years by capitalisation of General Reserve).

The details of Shareholders holding more than 5% shares :	As at 31.03.2012		As at 31.03.2011	
Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Valecha Investment Pvt. Ltd.	78,25,000	40.07	78,25,000	40.07

(Amount in ₹)

	As at 31.03.2012		As at 31.03.2011	
2. RESERVES AND SURPLUS				
a. Securities Premium Account :				
Balance As per last Balance Sheet	84,09,37,635		81,33,87,635	
Additions during the year	—	84,09,37,635	2,75,50,000	84,09,37,635
b. Revaluation Reserve :				
Balance as per last Balance Sheet	87,38,780		94,32,786	
Less : Transfer to Statement of Profit & Loss *	6,95,908	80,42,872	6,94,006	87,38,780
c. General Reserve :				
Balance as per last Balance Sheet	22,44,80,873		19,44,80,873	
Add : Forfeiture of Preferential Warrants #	9,45,00,000		—	
Add : Transfer from Statement of Profit & Loss	4,00,00,000	35,89,80,873	3,00,00,000	22,44,80,873
d. Surplus in Statement of Profit & Loss :				
Balance as per last Balance Sheet	1,33,00,76,113		1,20,04,08,953	
Add : Profit for the Year	22,38,27,151		24,79,32,277	
Less : Prior Year Adjustments for Taxes & Others	45,14,785		5,19,47,864	
	1,54,93,88,479		1,39,63,93,366	
Less : Appropriations				
Transfer to General Reserves	4,00,00,000		3,00,00,000	
Proposed Dividend	1,95,30,025		3,12,48,040	
Tax on Dividend	31,68,258	1,48,66,90,196	50,69,213	1,33,00,76,113
		2,69,46,51,576		2,40,42,33,401

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

The Company has forfeited ₹ 9,45,00,000/- being the 25% advance on 35,00,000 Preferential warrants at ₹ 108/- per Preferential warrant for which the remaining amount was not received prior to the stipulated time period. The said amount is transferred to the General Reserve Account.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
3. LONG TERM BORROWINGS		
a. Secured		
i. Term Loans from Banks	3,51,57,150	22,88,83,000
ii. Term Loans from Financial Institutions (Secured against Plant & Machinery and Vehicles)	43,63,93,738	22,10,74,153
iii. Other Term Loans from Banks (Against Subservient charge on the current assets/Plant & Machinery)	45,00,00,000	40,00,00,000
b. Unsecured		
i. Fixed Deposits	19,28,43,000	22,82,04,000
	1,11,43,93,888	1,07,81,61,153
4. DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Related to Fixed Assets	20,54,61,406	18,19,80,058
Charged to Profit and Loss Account	2,43,29,009	2,34,81,348
	22,97,90,415	20,54,61,406
5. OTHER LONG TERM LIABILITIES		
a. Advance from Contractees	72,62,64,789	17,99,09,963
b. Non Current Liabilities – Trade	67,41,51,202	60,34,92,950
c. Non Current Liabilities – Others	59,58,84,479	22,95,86,445
	1,99,63,00,470	1,01,29,89,358
6. SHORT TERM BORROWINGS		
From Banks : #		
a. Working Capital Loans – Cash Credit Limits	47,84,19,969	32,96,23,593
b. Other Short Term Facilities	45,00,53,969	37,77,78,431
	92,84,73,938	70,74,02,024

- i. # Working Capital Loans are secured by Hypothecation of Books Debts, Current Assets, Unencumbered Plant & Machinery and Portion of the Immovable Properties as per the sanction terms.
- ii. # Other Short Term Facilities from Banks are either unsecured and/or against the securities offered under working capital limits.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
7. TRADE PAYABLES		
Sundry Creditors	1,02,55,59,478	1,10,91,48,653
For Goods Purchased, Services Received from Professionals and Others under contracts.		
	1,02,55,59,478	1,10,91,48,653
8. OTHER CURRENT LIABILITIES		
a. Current Maturities of Long Term Debts - Banks	33,60,09,274	30,91,69,441
b. Current Maturities of Advance from Contractees	39,60,74,792	17,50,00,000
c. Current Maturities of Fixed Deposits	11,50,77,000	7,53,81,000
d. Unclaimed Dividends *	9,91,479	9,92,401
e. Statutory Remittances	9,68,32,793	9,90,06,998
f. Secured Advance from Contractees	13,37,94,943	8,97,60,515
g. Others	18,45,39,378	10,21,40,227
	1,26,33,19,659	85,14,50,582
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.		
9. SHORT TERM PROVISIONS		
a. Proposed Dividend	1,95,30,025	3,12,48,040
b. Tax on Dividend	31,68,258	50,69,213
c. Provision for Income Tax	20,78,03,611	13,03,03,611
	23,05,01,894	16,66,20,864

10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Addition	Deduction	As at 31.03.2012	Upto 31.03.2011	For the Year	Adjustment	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets										
Land	14,87,004	3,87,76,210	—	4,02,63,214	—	—	—	—	4,02,63,214	14,87,004
Buildings	3,64,64,803	—	—	3,64,64,803	89,56,897	5,96,005	—	95,52,902	2,69,11,901	2,75,07,906
Plant & Machinery	1,73,84,94,255	26,88,97,158	16,67,93,438	1,84,05,97,975	32,61,38,134	8,43,38,331	5,92,11,421	35,12,65,044	1,48,93,32,931	1,41,23,56,121
Furniture and Fixtures	5,59,69,260	29,61,550	49,500	5,88,81,310	2,20,40,619	32,50,202	870	2,52,89,951	3,35,91,359	3,39,28,641
Vehicles	15,17,90,175	1,83,88,871	67,72,727	16,34,06,319	6,88,50,497	1,70,85,937	43,16,470	8,16,19,964	8,17,86,355	8,29,39,678
Total	1,98,42,05,497	32,90,23,789	17,36,15,665	2,13,96,13,621	42,59,86,147	10,52,70,475	6,35,28,761	46,77,27,861	1,67,18,85,760	1,55,82,19,350
Previous Year	1,76,81,88,606	30,27,36,416	8,67,19,525	1,98,42,05,497	35,18,38,822	9,58,77,183	2,17,29,858	42,59,86,147	1,55,82,19,350	1,41,63,49,784
Capital Work-in-Progress	2,10,85,531	45,251	2,10,85,531	45,251	—	—	—	—	45,251	2,10,85,531

The additional charge of depreciation of ₹ 6,95,908/- (Previous Year ₹ 6,94,006/-) on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

11. NON CURRENT INVESTMENT

PARTICULARS	As at 31-03-2012		As at 31-03-2011	
	Qty. Nos.	Book value ₹	Qty. Nos.	Book value ₹
LONG TERM INVESTMENTS (AT COST)				
TRADE INVESTMENTS				
A. EQUITY SHARES : QUOTED & FULLY PAID				
Jyoti Structures Ltd.	—	—	60,000	24,30,000
(Face Value ₹ 2/- Per Share)				
(During the year 60,000 Nos. of Shares Sold)				
Total		—		24,30,000
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)	22	2,200	22	2,200
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	4,000	40,000
Valecha Reality Ltd. (Face Value ₹ 10/- each)	24,950	2,49,500	24,950	2,49,500
Total		26,97,58,700		10,36,700
B. INVESTMENT IN WHOLLY OWNED SUBSIDIARY COMPANIES				
Valecha Infrastructure Limited (Face Value ₹ 10/- each)	50,000	5,00,000	50,000	5,00,000
Valecha International (FZE) - (Face Value)	1	20,80,425	1	18,21,015
Professional Realtors Pvt. Ltd. (Face Value ₹ 10/- each)	10,000	1,80,45,000	10,000	1,80,45,000
Valecha Kachchh Toll Roads Ltd. (Face Value ₹ 10/- each)	25,500	2,55,000	—	—
Valecha Kachchh Toll Roads Ltd. (Application Money)	—	30,00,00,000	—	—
Total		32,08,80,425		2,03,66,015
C. NON CONVERTIBLE DEBENTURES : QUOTED & FULLY PAID				
Jyoti Structures Ltd.	7,78,925	9,34,71,000	7,78,925	9,34,71,000
(Face Value ₹ 120/- Per Debenture)				
Total		9,34,71,000		9,34,71,000
D. BUILDING VALECHA CHAMBERS				
Abstract :				
A. Equity Shares : Quoted		—		24,30,000
Equity Shares : Unquoted		26,97,58,700		10,36,700
B. Investment in Wholly Owned Subsidiary Companies		32,08,80,425		2,03,66,015
C. Non Convertible Debentures : Quoted		9,34,71,000		9,34,71,000
D. Building Valecha Chambers		4,49,73,441		4,49,73,441
Grand Total		72,90,83,566		16,22,77,156
Market Value of Quoted Investments in Debentures		9,03,55,300		9,17,49,084

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
12. LONG TERM LOANS & ADVANCES		
Security Deposit	95,18,471	99,90,883
(Unsecured and considered good)	95,18,471	99,90,883
13. INVENTORIES		
Closing Stock of Materials	44,58,20,620	42,10,12,753
	44,58,20,620	42,10,12,753
14. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
a. Exceeding Six Months	36,94,83,971	33,98,06,283
b. Within Six Months	1,73,80,80,456	1,53,77,55,683
	2,10,75,64,427	1,87,75,61,966
15. CASH AND CASH EQUIVALENTS		
a. Cash on Hand	78,19,018	44,84,309
b. Bank Balances		
(i) Current Accounts	12,14,67,651	14,85,48,334
(ii) Dividend Accounts	9,91,479	9,92,401
(iii) In Deposit Accounts	42,01,73,848	38,90,75,320
(Lien against Bank Guarantees, Letter of Credits and EMD's)	55,04,51,996	54,31,00,364
16. SHORT TERM LOANS & ADVANCES		
(Unsecured and considered good)		
a. Loans and Advances to Subsidiary Companies	1,56,95,26,948	1,62,06,48,565
b. Loans and Advances to Related Parties	10,02,54,077	9,34,63,737
c. Loans and Advances to Employees	90,94,726	52,64,710
d. Duties & Taxes Recoverable	24,59,55,336	18,62,50,876
e. Advances Recoverable in Cash or in kind or for value to be received	1,26,62,89,450	64,41,27,245
f. Deposits with Contractees	57,99,54,583	42,77,41,327
g. Advance Taxes Paid	32,95,24,624	24,13,01,885
	4,10,05,99,744	3,21,87,98,345
17. OTHER CURRENT ASSETS		
Projects in Progress	6,33,21,733	1,32,21,343
	6,33,21,733	1,32,21,343

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012		As at 31.03.2011	
18. REVENUE FROM OPERATIONS				
Revenue from Operation		7,04,62,42,373		7,29,75,09,219
		7,04,62,42,373		7,29,75,09,219
19. OTHER INCOME				
(a) Interest Received		5,64,81,648		8,66,07,257
(b) Rent		5,36,73,441		5,55,02,904
(c) Dividend from Long Term Investments		—		9,23,881
(d) Profit on Sale of Assets		—		94,35,514
(e) Miscellaneous Income		2,86,38,655		2,76,87,687
(f) Profit on Foreign Exchange Fluctuation		1,51,29,496		—
		15,39,23,240		18,01,57,243
20. CONSTRUCTION EXPENSES				
(a) Materials Purchase		1,25,96,84,087		1,85,75,80,783
(b) Sub-Contracting and Transportation Expenses		3,57,52,57,705		3,08,31,73,929
(c) Power and Fuel		16,41,96,164		22,17,26,542
(d) Value Added Tax, Service Tax & Labour Cess		8,23,00,411		24,14,80,720
(e) Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		48,10,34,369		62,19,36,329
(f) Insurance		2,57,90,669		1,12,15,055
(g) Site Expenses		48,00,14,597		42,99,79,597
		6,06,82,78,002		6,46,70,92,955
(h) Changes in Inventories				
Opening Stock of Material	42,10,12,753		40,79,94,252	
Less : Closing Stock of Material	44,58,20,620	(2,48,07,867)	42,10,12,753	(1,30,18,501)
		6,04,34,70,135		6,45,40,74,454

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
21. EMPLOYEE BENEFIT EXPENSES		
(a) Salaries, Wages, Gratuity and Bonus	33,10,76,920	29,57,17,411
(b) Contribution to Provident Fund	1,66,09,063	1,76,92,658
(c) Welfare Expenses	17,55,404	11,88,790
	34,94,41,387	31,45,98,859

Employees' Retirement and other Benefits :

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

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

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2012.

Particulars	Amount (₹)
Changes in Present value of Obligations	
Present value of Obligations as at beginning of year	1,29,65,763
Interest Cost	10,37,261
Current Service Cost	16,82,127
Benefits paid	(13,20,092)
Actuarial (Gain)/Loss on Obligations	(14,63,211)
Present value of obligations as at end of year	1,29,01,848
Changes in the fair value of plan assets	
Fair value of plan assets at beginning of year	84,52,758
Expected return on plan assets	7,52,080
Contributions	62,85,871
Benefits paid	(13,20,092)
Actuarial (Gain)/Loss on Plan assets	—
Fair value of plan assets at the end of year	1,41,70,617
The amounts to be recognized in the Balance Sheet and Statement of Profit and Loss	
Present value of obligations as at the end of year	1,29,01,848
Fair value of plan assets as at the end of the year	1,41,70,617
Funded status	12,68,769
Liability/(Asset) recognized in balance sheet	(12,68,769)
Expenses Recognised in Statement of Profit & Loss	
Current Service Cost	16,82,127
Interest Cost	10,37,261
Expected return on plan assets	(7,52,080)
Net Actuarial (Gain)/Loss recognized in the year	(14,63,211)
Expenses recognized in Statement of Profit & Loss	5,04,097

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
22. FINANCIAL COST		
(a) Interest paid to Banks	14,82,90,010	12,37,08,904
(b) Interest paid to Institutions	6,72,69,638	4,27,93,795
(c) Interest paid to Others	6,39,56,507	5,80,06,724
(d) Loss on Foreign Exchange Fluctuation	—	65,02,459
	27,95,16,155	23,10,11,882
23. DEPRECIATION & AMORTISATION EXPENSES		
Depreciation & Amortisation	10,52,70,475	9,58,77,183
Less : Transfer from Revaluation Reserves (Refer Note No. 10)	6,95,908	6,94,006
	10,45,74,567	9,51,83,177
24. OTHER EXPENSES		
(a) Rates & Taxes	32,53,667	23,90,397
(b) Printing and Stationery	11,91,985	10,83,607
(c) Telephone and Postage	23,67,229	22,88,160
(d) Advertisement	14,43,648	3,53,475
(e) Travelling & Conveyance	7,96,339	9,20,353
(f) Business Promotion	15,04,241	25,18,831
(g) Electricity Charges	18,63,613	18,63,991
(h) Professional Fees	2,37,80,726	1,42,76,879
(i) Office Maintenance	1,18,57,208	92,27,692
(j) Tender Expenses	1,04,37,053	1,62,65,768
(k) Bank Charges	58,66,864	1,07,49,353
(l) Directors Remuneration	1,62,73,304	2,72,38,973
(m) Commission to Non-Executive Directors	17,50,000	25,00,000
(n) Auditor's Remuneration	13,30,218	12,65,429
(o) General Expenses	48,11,343	25,94,260
(p) Loss on Sale of Assets	1,08,64,032	—
(q) Donation	5,25,000	4,85,000
	9,99,16,470	9,60,22,168
24.1 PAYMENT TO AUDITORS		
Audit Fees	9,50,000	8,50,000
Certification and Other Services	3,80,218	4,15,429
	13,30,218	12,65,429

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
25. EARNING PER SHARE		
1. Net Profit after Tax (With Extraordinary Income)	22,38,27,151	24,79,32,277
Less : Extraordinary Income	24,09,261	4,81,99,703
2. Net Profit after Tax & Extraordinary Income	22,14,17,890	19,97,32,574
3. Weighted average Number of shares for Basic EPS (Numbers)	1,95,30,025	1,90,33,608
4. Weighted average Number of shares for Diluted EPS (Numbers)	1,95,30,025	2,25,33,608
5. Basic Earning Per share		
With Extraordinary Income	11.46	13.03
Without Extraordinary Income	11.34	10.49
6. Diluted Earning Per share		
With Extraordinary Income	11.46	11.00
Without Extraordinary Income	11.34	8.86
26. EXPENDITURE IN FOREIGN CURRENCY		
(i) C.I.F. Value of Imports		
(a) Capital Goods	18,42,85,466	9,58,25,000
(b) Components & Spare Parts	32,40,572	1,71,66,518
(ii) Technical & Engineering Fees and Travelling & Other Expenses	45,89,226	2,20,743

27. RELATED PARTY DISCLOSURES

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

Name of the Related Party	Nature of Relationship	% of Profit
(A) Particulars of Subsidiary & Associate Companies		
1. Valecha Infrastructure Ltd.	Wholly Owned Subsidiary Company	100%
2. Valecha International (FZE)	Wholly Owned Subsidiary Company	100%
3. Professional Realtors Pvt. Ltd.	Wholly Owned Subsidiary Company	100%
4. Valecha Power Ltd.	Wholly Owned Subsidiary Company	100%
5. Valecha LM Toll Pvt. Ltd.	Subsidiary Company	74%
6. Valecha Badwani Sendhwa Toll Ways Ltd.	Subsidiary Company	74%
7. Valecha Kachchh Toll Roads Ltd.	Subsidiary Company	51%
8. Bhubaneshwar Express Ways Pvt. Ltd.	Associate Company	40%
9. Gopaldas Vasudev Construction Pvt. Ltd.	Associate Company	Nil
10. Valecha Investment Pvt. Ltd	Associate Company	Nil
11. Valecha Reality Ltd.	Associate Company	49.90%
12. Valecha Gulf Contracting & Foundations L.L.C.	Associate Company	Nil
(B) Particulars of Joint Ventures & Consortium		
1. Ashoka Buildcon - Valecha Engineering Limited (Joint Venture)	Joint Venture Member	
2. Valecha - ECCI (Joint Venture)	Joint Venture Member	
3. Valecha - TBL (Joint Venture)	Joint Venture Member	
4. Valecha - Singla (Consortium)	Consortium Member	
5. Valecha - SGG (Joint Venture)	Joint Venture Member	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Name of the Related Party	Nature of Relationship
6. Valecha - Transtonnelstroy (Joint Venture)	Joint Venture Member
7. Valecha - Multitech (JV)	Joint Venture Member
8. KSSIPL - VEL (JV)	Joint Venture Member
9. Valecha - VKJ (JV)	Joint Venture Member
10. Valecha - Shivalaya - Intradel (JV)	Joint Venture Member
11. Valecha - Dilip (JV)	Joint Venture Member

(C) Key Management Personnel

1. Anil Harish	Chairman
2. Jagdish K. Valecha	Managing Director
3. Umesh H. Valecha	Whole Time Director
4. Dinesh H. Valecha	Whole Time Director
5. Arvind Thakkar	Director
6. G. Ramachandran	Director

(Amount in ₹)

(D) Transactions with Associate Companies	2011-12	2010-11
1. Equity Contribution	26,90,11,500	2,89,500
2. Advance Preferential Warrants Money Received	—	4,59,00,000
3. Deposit/Loans/Repayment received during the year	9,83,650	3,69,13,885
4. Deposit/Loans given/Repaid during the year	77,73,990	5,58,89,39,345
5. Interest Received	93,28,020	2,19,04,938
6. Outstanding Balance - Amount Receivables	10,02,54,077	9,34,63,737
(E) Transactions with Subsidiary Companies		
1. Equity Contribution	2,08,80,425	2,03,66,015
2. Advance Application Money Paid	30,00,00,000	—
3. Deposit/Loans/Repayment received during the year	80,97,15,687	97,99,79,518
4. Deposit/Loans given/Repaid during the year	73,87,64,332	1,63,75,02,965
5. Outstanding Balance – Amount Receivable	1,56,95,26,948	1,62,06,48,564
(F) Transactions with Joint Ventures & Consortium		
1. Sales	3,04,22,61,250	1,56,36,01,248
2. Fees Received	—	78,31,005
3. Outstanding Balance – Amount Receivables	47,06,66,106	29,16,56,015
(G) Transactions with Persons referred to in Item (C) above		
1. Remuneration paid during the year	1,62,73,304	2,72,38,973
2. Sitting Fees	50,000	85,000
3. Commission	17,50,000	25,00,000

28. CONTINGENT LIABILITIES

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

- Bank Guarantees and Letter of Credits outstanding amounting to ₹ 34,769.53 lacs (Previous Year ₹ 29,148.85 lacs).
- Corporate Guarantee issued in favour of the Lenders on behalf of their subsidiaries towards the Project Finance of the BOT/Annuity Road Projects. Loan amount outstanding as at 31.03.2012 was ₹ 28,740 lacs (Previous Year ₹ 4,471 lacs).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

- 29.** Since the principal business of the Company is construction activity quantitative data in respect of trading and manufacturing activities carried out by the Company as required by Part II of schedule VI to the Company's Act 1956 is not applicable.
- 30.** The Company has not received any information from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006. (The Act) and hence disclosures required under the said act have not been given. The Company is making efforts to get the confirmation from the suppliers as regards their status under the Act. However, none of the supplier has confirmed the same.
- 31.** The Financials Statements for the year ended 31.03.2011 had been prepared as per the then applicable, pre-revised Schedule-VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the Financial Statements for the year ended 31st March, 2012 are prepared under revised Schedule-VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification.

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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.

Date : 30th May, 2012.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	L74210MH1977PLC019535
State Code	11
Balance Sheet Date	31.03.2012

II. Capital Raised during the year

(Amount in ₹ Thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation & Development of Funds

(Amount in ₹ Thousands)

Source of Funds

Application of Funds

Total Liabilities	Total Assets
96,78,292	96,78,292
Paid-up Capital	Reserves & Surplus
1,95,300	26,94,652
Current Liabilities	Non-Current Liabilities
34,47,855	33,40,485
Net Fixed Assets	Investments
16,71,931	7,29,084
Current Assets	Long Term Loans & Advances
72,67,759	9,518

IV. Performance of Company

(Amount in ₹ Thousands)

Total Income	Total Expenditure
72,00,166	68,76,919
Profit Before Tax*	Profit After Tax*
3,25,656	2,23,827
Earning per Share (₹)	Dividend Rate
Basic Diluted	10%
With Extraordinary Income 11.46 11.46	
Without Extraordinary Income 11.34 11.34	

V. Generic Names of Principal Products/ Services of the Company

(As per Monetary basis) Item Code No.

Products Description

* after considering Extraordinary Income

NIL
Infrastructure Development and Real Estate Development

As per our report of even date

For **D. M. JANI & CO.**

Chartered Accountants

Dilip M. Jani

Proprietor

Place : Mumbai.

Date : 30th May, 2012.

For and on behalf of the Board

Kavita Valecha Sharma

Company Secretary

Anil Harish

Chairman

J. K. Valecha

Managing Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES AS ON 31.03.2012

Sr. No.	Name of Subsidiary	Valecha Infrastructure Ltd.	Valecha LM Toll Pvt. Ltd.	Valecha Badwani Sendhwa Toll Ways Ltd.	Valecha Kachchh Toll Roads Ltd.	Valecha Power Ltd.	Valecha International FZE	Professional Realtors Pvt. Ltd.
	Number of Shares held and extent of holding thereof by the holding company as on 31.03.2012							
(a)	The number of equity shares of ₹ 10/- each fully paid	50,000	74,00,000	37,00,000	25,500	50,000	1 (Face value as on 31.03.2012 ₹ 20.80 lacs)	10,000
(b)	Extent of Holding in percentage terms	100%	74%	74%	51%	100%	100%	100%
	The Net aggregate Profits or (losses) of the Subsidiary Company of the current financial year so far as it concerns the members of the holding company.							
(a)	Dealt with or provided in the accounts of the holding company (₹)	84,14,487	(5,42,34,894)	Nil	Nil	Nil	Nil	(2,053)
(b)	Not dealt with or provided in the accounts of the holding company (₹)	Nil	(1,90,55,504)	Nil	Nil	Nil	Nil	Nil
	The Net aggregate of Profit or (Losses) of the Subsidiary Company of the Previous Financial year so far as it concerns the members of the holding company.							
(a)	Dealt with or provided in the accounts of the holding company (₹)	53,24,450	Nil	Nil	Nil	Nil	Nil	(2,405)
(b)	Not dealt with or provided in the accounts of the holding company (₹)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: Investment in Valecha International FZE 1,50,000 AED. 1 AED = INR. 13.8695 as on 31.03.2012.

FINANCIAL INFORMATION REGARDING SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR 2011-12

(Amount in ₹)

Sr. No.	Particulars	Valecha Infrastructure Ltd.	Valecha LM Toll Pvt. Ltd.	Valecha Badwani Sendhwa Toll Ways Ltd.	Valecha Kachchh Toll Roads Ltd.	Valecha Power Ltd.	Valecha International FZE	Professional Realtors Pvt. Ltd.
1.	Capital	5,00,000	10,00,00,000	5,00,00,000	5,00,000	5,00,000	20,80,425	1,00,000
2.	Reserves	2,32,30,101	2,55,09,602	—	—	—	—	(18,212)
3.	Total assets	1,61,13,62,913	2,80,43,11,758	72,19,45,642	65,40,90,116	77,58,002	16,11,11,647	21,12,667
4.	Total Liabilities	1,61,13,62,913	2,80,43,11,758	72,19,45,642	65,40,90,116	77,58,002	16,11,11,647	21,12,667
5.	Investment except in the case of investment in subsidiary	83,26,26,242	—	—	—	—	—	—
6.	Revenue from Operations	—	5,84,98,055	—	—	—	—	—
7.	Other Income	81,47,100	23,22,412	—	—	—	—	—
8.	Profit before Taxation	81,14,487	(7,32,77,400)	—	—	—	—	(2,053)
9.	Provision for tax - (Deferred Tax)	—	12,998	—	—	—	—	—
10.	Profit after Tax	81,14,487	(7,32,90,398)	—	—	—	—	(2,053)

Notes :

- Please refer to consolidated financial statements and notes appearing there on.
- The Board of Directors in their meeting held on 30th May, 2012 have passed the resolution for not attaching the financial of the subsidiary company/(ies) to the financials of the Company for the Financial year 2011-12 vide general circular No. 2/2011 dated 08.02.2011 issued by Ministry of Corporate Affairs.
- Investment in Valecha International FZE 1,50,000 AED. 1 AED= INR.13.8695 as on 31.03.2012.
- 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.
- The annual accounts of the subsidiary companies can be inspected by the members at the Registered Office of the Company.

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF VALECHA ENGINEERING LIMITED

We have audited the attached Consolidated Balance Sheet of VALECHA ENGINEERING LIMITED ("the Company") and its subsidiaries (the company and its subsidiaries constitute 'the Group') as at 31st March, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding the subsidiaries. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21) on "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the Consolidated Financial Statements give a true & fair view in conformity with the Accounting Principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2012;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

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

DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 30th May, 2012

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTES	As at 31st March, 2012		As at 31st March, 2011	
I. EQUITY AND LIABILITIES :					
1. Shareholders' Funds :					
(a) Share Capital	1	19,53,00,250		19,53,00,250	
(b) Reserves & Surplus	2	2,73,67,40,573		2,45,58,88,859	
(c) Money Received against Preferential Warrants		—	2,93,20,40,823	9,45,00,000	2,74,56,89,109
2. Minority Interest			4,58,77,497		2,58,45,000
3. Non Current Liabilities :					
(a) Long Term Borrowings	3	4,38,65,17,888		1,82,09,51,153	
(b) Deferred Tax Liabilities (Net)	4	22,98,03,413		20,54,61,406	
(c) Other Long Term Liabilities	5	1,54,63,00,470	6,16,26,21,771	90,55,68,425	2,93,19,80,984
4. Current Liabilities :					
(a) Short Term Borrowings	6	92,84,73,938		70,74,02,024	
(b) Trade Payables	7	1,02,56,07,195		1,10,91,48,653	
(c) Other Current Liabilities	8	1,08,07,05,644		86,77,60,641	
(d) Short Term Provisions	9	23,05,01,894	3,26,52,88,671	16,66,20,864	2,85,09,32,182
Total			12,40,58,28,762		8,55,44,47,275
II. ASSETS :					
1. Non Current Assets :					
(a) Fixed Assets :	10				
(i) Tangible Assets		1,67,34,38,628		1,55,88,75,075	
(ii) Intangible Assets		2,67,08,74,351		—	
(iii) Intangible Assets under Development		69,13,09,678		1,29,10,65,594	
(iv) Capital Work in Progress		11,55,74,510	5,15,11,97,167	2,10,85,531	2,87,10,26,200
(b) Non Current Investments	11		1,25,87,74,383		98,76,13,644
(c) Long Term Loans & Advances	12		95,18,471		1,16,45,433
2. Current Assets :					
(a) Inventories	13	44,58,20,620		42,10,12,753	
(b) Trade Receivables	14	2,02,30,92,001		1,62,46,82,084	
(c) Cash and Cash Equivalents	15	69,05,58,316		74,14,76,123	
(d) Short Term Loans & Advance	16	2,76,35,46,071		1,82,81,84,851	
(e) Other Current Assets	17	6,33,21,733	5,98,63,38,741	6,88,06,187	4,68,41,61,998
Total			12,40,58,28,762		8,55,44,47,275
Significant Accounting Policies					
Notes on Consolidated Financial Statements	1 to 26				

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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.
Date : 30th May, 2012.

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTES	As at 31st March, 2012		As at 31st March, 2011	
I. INCOME					
Revenue from Operations	18		7,10,47,40,428		7,29,75,09,219
Other Income	19		16,43,92,752		18,55,28,643
Total Revenue			7,26,91,33,180		7,48,30,37,862
II. EXPENSES					
Construction Expenses	20		6,07,16,45,002		6,46,70,92,955
Changes in Inventories	20		(2,48,07,867)		(1,30,18,501)
Employee Benefit Expenses	21		35,08,66,292		31,45,98,859
Financial Cost	22		36,79,59,862		23,10,11,882
Depreciation and Amortisation Expense	23		14,23,45,144		9,51,83,177
Other Expenses	24		10,30,42,815		9,60,69,118
Total Expenses			7,01,10,51,248		7,19,09,37,490
III. PROFIT BEFORE EXTRAORDINARY ITEM & TAX			25,80,81,932		29,21,00,372
IV. Extraordinary Item (Income)			24,09,261		4,81,99,703
V. PROFIT BEFORE TAX (III + IV)			26,04,91,193		34,03,00,075
VI. TAX EXPENSES					
Current Tax		7,75,00,000		6,35,62,000	
Deferred Tax		2,43,42,007	10,18,42,007	2,34,81,348	8,70,43,348
VII. PROFIT FOR THE YEAR (BEFORE ADJUSTMENT FOR MINORITY INTEREST) (V - VI)			15,86,49,186		25,32,56,727
VIII. Add : Share of Loss Transferred to Minority Interest			1,90,55,504		—
IX. PROFIT FOR THE YEAR (AFTER ADJUSTMENT FOR MINORITY INTEREST) (VII + VIII)			17,77,04,690		25,32,56,727
Significant Accounting Policies					
Notes on Consolidated Financial Statements	1 to 26				
Earning Per Share (in ₹)					
Basic — With Extraordinary Income			9.10		13.31
— Without Extraordinary Income			8.98		10.77
Diluted — With Extraordinary Income			9.10		11.24
— Without Extraordinary Income			8.98		9.10

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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.
Date : 30th May, 2012.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	As at 31.03.2012	As at 31.03.2011
A. Cash Flow from Operating Activities		
Profit Before Tax and Extraordinary Items	25,80,81,932	29,21,00,372
Add/(Deduct) Adjustment for :		
Depreciation	14,23,45,144	9,51,83,177
Financial Cost	36,79,59,862	22,45,09,423
Loss/(Profit) on Foreign Exchange	(1,51,29,496)	65,02,459
Dividend on Investment	(81,47,100)	(62,95,281)
Rent from Property	(5,36,73,441)	(5,55,02,904)
Miscellaneous Income	(2,86,38,655)	(2,76,87,687)
Interest Earned	(5,88,04,060)	(8,66,07,257)
Loss/(Profit) on Sale of Fixed Assets	1,08,64,032	(94,35,514)
Operating Profit Before Working Capital Changes	61,48,58,218	43,27,66,788
Adjustment for :		
Trade and Other Receivables	(1,24,34,21,437)	(55,46,03,733)
Inventories/WIP	(1,93,23,412)	11,85,135
Trade and other Payables	70,35,99,756	52,05,01,885
Cash Generated from Operations	5,57,13,125	39,98,50,075
Direct Taxes (Paid)	(8,82,22,739)	5,89,00,521
Prior year adjustments	(45,14,785)	(5,19,47,864)
Net Cash Flow from Operating Activities	(3,70,24,399)	40,68,02,732
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(3,72,98,75,536)	(30,33,92,141)
Proceeds from Sale of Fixed Assets	9,92,22,872	7,44,25,181
Changes in Capital Work in Progress	1,19,65,76,615	(1,29,10,65,594)
Proceeds from Sale of Investments	(27,11,60,739)	(7,93,05,500)
Dividend on Investment	81,47,100	62,95,281
Interest Earned	5,88,04,060	8,66,07,257
Profit/(Loss) on Foreign Exchange	1,51,29,496	(65,02,459)
Profit on Sale of Investment	24,09,261	4,81,99,703
Rent and Miscellaneous Receipts	8,23,12,096	8,31,90,591
Net Cash Flow from Investing Activities	(2,53,84,34,775)	(1,38,15,47,681)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	—	95,00,000
Proceeds from Share Premium	3,65,56,000	6,41,06,000
Proceeds from Minority Interest	3,90,88,000	2,58,45,000
Proceeds from Long Term Borrowings	2,52,51,93,568	1,36,04,98,070
Proceeds from Unsecured Borrowings	10,69,09,000	14,62,19,000
Proceeds from Short Term Borrowings	22,10,71,914	(14,01,00,608)
Financial Cost	(36,79,59,862)	(22,45,09,423)
Dividend Paid	(3,12,48,040)	(2,78,70,038)
Dividend Tax Paid	(50,69,213)	(47,36,513)
Net Cash Used in Financing Activities	2,52,45,41,367	1,20,89,51,488
Net Increase in Cash and Cash Equivalents	(5,09,17,807)	23,42,06,539
Opening Balance of Cash and Cash Equivalents	74,14,76,123	50,72,69,584
Closing Balance of Cash and Cash Equivalents	69,05,58,316	74,14,76,123

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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.

Date : 30th May, 2012.

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. Consolidation of Accounts

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

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

B. Investments

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

C. Other Significant Accounting Policies

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012		As at 31.03.2011	
1. SHARE CAPITAL				
Authorised :				
3,50,00,000 Equity Shares of ₹ 10/- each		35,00,00,000		35,00,00,000
Issued & Subscribed :				
1,95,30,025 Equity Shares of ₹ 10/- each fully paid-up.		19,53,00,250		19,53,00,250
		19,53,00,250		19,53,00,250

(Of the above Shares 39,84,450 Shares (F.Y. 2007-2008) and 59,76,675 Shares (F.Y. 2008-09) are allotted as fully paid-up by way of Bonus Shares in the last Five Years by capitalisation of General Reserve).

The details of Shareholders holding more than 5% shares :	As at 31.03.2012		As at 31.03.2011	
Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Valecha Investment Pvt. Ltd.	78,25,000	40.07	78,25,000	40.07

(Amount in ₹)

	As at 31.03.2012		As at 31.03.2011	
2. RESERVES AND SURPLUS				
(a) Securities Premium Account :				
Balance as per last Balance Sheet	87,70,40,609	91,35,96,609	81,29,34,609	87,70,40,609
Additions during the year	3,65,56,000		6,41,06,000	
(b) Revaluation Reserve :				
Balance as per last Balance Sheet	87,38,780	80,42,872	94,32,786	87,38,780
Less : Transfer to Statement of Profit & Loss *	6,95,908		6,94,006	
(c) General Reserve :				
Balance as per last Balance Sheet	22,44,80,873	35,89,80,873	19,44,80,873	22,44,80,873
Add : Forfeiture of Preferential Warrants #	9,45,00,000		—	
Add : Transfer from Statement of Profit & Loss	4,00,00,000		3,00,00,000	
(d) Surplus in Statement of Profit & Loss :				
Balance as per last Balance Sheet	1,34,56,28,597	1,45,61,20,219	1,21,06,36,987	1,34,56,28,597
Add : Profit for the Year	17,77,04,690		25,32,56,727	
Less : Prior Year Adjustments for Taxes & Others	45,14,785		5,19,47,864	
	1,51,88,18,502		1,41,19,45,850	
Less : Appropriations				
Transfer to General Reserves	4,00,00,000	2,73,67,40,573	3,00,00,000	2,45,58,88,859
Proposed Dividend	1,95,30,025		3,12,48,040	
Tax on Dividend	31,68,258		50,69,213	

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

The Company has forfeited ₹ 9,45,00,000/- being the 25% advance on 35,00,000 Preferential warrants at ₹ 108/- per Preferential warrant for which the remaining amount was not received prior to the stipulated time period. The said amount is transferred to the General Reserve Account.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
3. LONG TERM BORROWINGS		
(a) Secured		
(i) Term Loans from Banks *	2,90,91,57,150	67,59,83,000
(ii) Term Loans from Financial Institutions (Secured against Plant & Machinery and Vehicles)	66,63,93,738	45,12,14,153
(iii) Other Term Loans from Banks (Against Subservient charge on the current assets/Plant & Machinery)	45,00,00,000	40,00,00,000
(b) Unsecured		
(i) Fixed Deposits	19,28,43,000	22,82,04,000
(ii) Compulsory Convertible Debentures	16,81,24,000	6,55,50,000
	4,38,65,17,888	1,82,09,51,153

* Term Loans are Secured by first pari pasu charge on the immovable assets and all tangible assets by way of mortgage/hypothecation and first charge on rights and interest in the projects and also by way of pledge of shares by promoters companies in respect of BOT/Annuity projects. The term loans are also secured by Plant & Machinery and Vehicles.

	As at 31st March, 2012	As at 31st March, 2011
4. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Related to Fixed Assets	20,54,61,406	18,19,80,058
Charged to Profit & Loss Account	2,43,42,007	2,34,81,348
	22,98,03,413	20,54,61,406

5. OTHER LONG TERM LIABILITIES		
(a) Advance from Contractees	27,62,64,789	7,24,89,030
(b) Non Current Liabilities – Trade	67,41,51,202	60,34,92,950
(c) Non Current Liabilities – Others	59,58,84,479	22,95,86,445
	1,54,63,00,470	90,55,68,425

6. SHORT TERM BORROWINGS		
From Banks : #		
(a) Working Capital Loans – Cash Credit Limits	47,84,19,969	32,96,23,593
(b) Other Short Term Facilities	45,00,53,969	37,77,78,431
	92,84,73,938	70,74,02,024

- i. # Working Capital Loans are secured by Hypothecation of Books Debts, Current Assets, Unencumbered Plant & Machinery and Portion of the Immovable Properties as per the sanction terms.
- ii. # Other Short Term Facilities from Banks are either unsecured and/or against the securities offered under working capital limits.

	As at 31st March, 2012	As at 31st March, 2011
7. TRADE PAYABLES		
Sundry Creditors	1,02,56,07,195	1,10,91,48,653
For Goods Purchased, Services Received from Professionals and Others under contracts.		
	1,02,56,07,195	1,10,91,48,653

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
8. OTHER CURRENT LIABILITIES		
(a) Current Maturities of Long Term Debts – Banks	33,60,09,274	30,91,69,441
(b) Current Maturities of Advances from Contractees	21,94,53,416	17,50,00,000
(c) Current Maturities of Fixed Deposits	11,50,77,000	7,53,81,000
(d) Unclaimed Dividend *	9,91,479	9,92,401
(e) Statutory Remittances	9,68,32,793	11,28,19,906
(f) Secured Advance from Contractees	9,83,73,643	8,97,60,515
(g) Others	21,39,68,039	10,46,37,378
	1,08,07,05,644	86,77,60,641
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.		
9. SHORT TERM PROVISIONS		
(a) Proposed Dividend	1,95,30,025	3,12,48,040
(b) Tax on Dividend	31,68,258	50,69,213
(c) Provision for Income Tax	20,78,03,611	13,03,03,611
	23,05,01,894	16,66,20,864

10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Addition	Deduction	As at 31.03.2012	Upto 31.03.2011	For the Year	Adjustment	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets										
Land	21,42,729	3,88,11,310	—	4,09,54,039	—	—	—	—	4,09,54,039	21,42,729
Buildings	3,64,64,803	—	—	3,64,64,803	89,56,897	5,96,005	—	95,52,902	2,69,11,901	2,75,07,906
Plant & Machinery	1,73,84,94,255	26,92,03,960	16,67,93,438	1,84,09,04,777	32,61,38,134	8,43,43,189	5,92,11,422	35,12,69,901	1,48,96,34,876	1,41,23,56,121
Furniture and Fixtures	5,59,69,260	32,58,563	49,500	5,91,78,323	2,20,40,619	32,56,246	870	2,52,95,995	3,38,82,328	3,39,28,641
Vehicles	15,17,90,175	1,86,66,801	67,72,727	16,36,84,249	6,88,50,497	1,70,94,738	43,16,470	8,16,28,765	8,20,55,484	8,29,39,678
Total	1,98,48,61,222	32,99,40,634	17,36,15,665	2,14,11,86,191	42,59,86,147	10,52,90,178	6,35,28,762	46,77,47,563	1,67,34,38,628	1,55,88,75,075
Previous Year	1,76,81,88,606	30,33,92,141	8,67,19,525	1,98,48,61,222	35,18,38,822	9,58,77,183	2,17,29,858	42,59,86,147	1,55,88,75,075	1,41,63,49,784
Capital Work-in-Progress	2,10,85,531	11,55,74,510	2,10,85,531	11,55,74,510	—	—	—	—	11,55,74,510	2,10,85,531

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Addition	Deduction	As at 31.03.2012	Upto 31.03.2011	For the Year	Adjustment	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Intangible Assets										
Concessionaire Right	—	2,70,86,25,225	—	2,70,86,25,225	—	3,77,50,874	—	3,77,50,874	2,67,08,74,351	—
Total	—	2,70,86,25,225	—	2,70,86,25,225	—	3,77,50,874	—	3,77,50,874	2,67,08,74,351	—
Intangible Assets under Development	1,29,10,65,594	69,13,09,678	1,29,10,65,594	69,13,09,678	—	—	—	—	69,13,09,678	1,29,10,65,594
Total	1,29,10,65,594	69,13,09,678	1,29,10,65,594	69,13,09,678	—	—	—	—	69,13,09,678	1,29,10,65,594

The additional charge of depreciation of ₹ 6,95,908/- (Previous Year ₹ 6,94,006/-) on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account, in respect of the Tangible Assets.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

11. NON CURRENT INVESTMENT

PARTICULARS	As at 31.03.2012		As at 31.03.2011	
	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)	5,431,400	83,26,26,242	54,31,400	83,01,87,503
Total		83,26,26,242		83,01,87,503
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)	22	2,200	22	2,200
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	4,000	40,000
Valecha Reality Ltd. (Face Value ₹ 10/- each)	24,950	2,49,500	24,950	2,49,500
Total		26,97,58,700		10,36,700
B. INVESTMENT IN WHOLLY OWNED SUBSIDIARY COMPANY				
Professional Realtors Pvt. Ltd. (Face Value ₹ 10/- each)	10,000	1,79,45,000	10,000	1,79,45,000
Total		1,79,45,000		1,79,45,000
C. NON CONVERTIBLE DEBENTURES : QUOTED & FULLY PAID				
Jyoti Structures Ltd. (Face Value ₹ 120/- Per Debenture)	7,78,925	9,34,71,000	7,78,925	9,34,71,000
Total		9,34,71,000		9,34,71,000
D. BUILDING VALECHA CHAMBERS		4,49,73,441		4,49,73,441
Abstract :				
A. Equity Shares : Quoted		83,26,26,242		83,01,87,503
Equity Shares : Unquoted		26,97,58,700		10,36,700
B. Investment in Wholly Owned Subsidiary Companies		1,79,45,000		1,79,45,000
C. Non Convertible Debentures : Quoted		9,34,71,000		9,34,71,000
D. Building Valecha Chambers		4,49,73,441		4,49,73,441
Grand Total		1,25,87,74,383		98,76,13,644
Market Value of Quoted Investments in Shares & Debentures		30,16,36,760		52,68,32,484

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
12. LONG TERM LOANS & ADVANCES		
Security Deposit (Unsecured and Considered Good)	95,18,471	1,16,45,433
	95,18,471	1,16,45,433
13. INVENTORIES		
Closing Stock of Materials	44,58,20,620	42,10,12,753
	44,58,20,620	42,10,12,753
14. TRADE RECEIVABLES (Unsecured and Considered Good)		
(a) Exceeding Six Months	36,94,83,971	33,98,06,283
(b) Within Six Months	1,65,36,08,030	1,28,48,75,801
	2,02,30,92,001	1,62,46,82,084
15. CASH AND CASH EQUIVALENTS		
1. Cash on Hand	83,92,905	44,85,309
2. Bank Balances		
(i) Current Accounts	12,80,11,856	14,98,14,643
(ii) Dividend Accounts	9,91,479	9,92,401
(iii) Escrow Accounts	1,00,70,168	19,71,08,450
(iv) In Deposit Accounts (Lien against Bank Guarantees, Letter of Credits and EMD's)	54,30,91,908	38,90,75,320
	69,05,58,316	74,14,76,123
16. SHORT TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Loans and Advances to Related Parties	17,28,54,077	9,34,63,737
Loans and Advances to Employees	90,95,726	52,64,710
Duties & Taxes Recoverable	24,63,23,594	18,62,50,876
Advances Recoverable in Cash or in kind or for value to be received	1,41,92,03,464	87,41,62,316
Deposits with Contractees	58,65,44,586	42,77,41,327
Advance Taxes Paid	32,95,24,624	24,13,01,885
	2,76,35,46,071	1,82,81,84,851
17. OTHER CURRENT ASSETS		
Project in Progress	63,321,733	6,88,06,187
	63,321,733	6,88,06,187

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012		As at 31.03.2011	
18. REVENUE FROM OPERATIONS				
Revenue from Operation		7,04,62,42,373		7,29,75,09,219
Revenue from Toll Collection		5,84,98,055		—
		7,10,47,40,428		7,29,75,09,219
19. OTHER INCOME				
(a) Interest Received		5,88,04,060		8,66,07,257
(b) Rent		5,36,73,441		5,55,02,904
(c) Dividend from Long Term Investments		81,47,100		62,95,281
(d) Profit on Sale of Assets		—		94,35,514
(e) Miscellaneous Income		2,86,38,655		2,76,87,687
(f) Profit on Foreign Exchange Fluctuation		1,51,29,496		—
		16,43,92,752		18,55,28,643
20. CONSTRUCTION EXPENSES				
(a) Materials Purchase		1,25,96,84,087		1,85,75,80,783
(b) Sub-Contracting and Transportation Expenses		3,57,52,57,705		3,08,31,73,929
(c) Power and Fuel		16,41,96,164		22,17,26,542
(d) Value Added Tax, Service Tax & Labour Cess		8,23,00,411		24,14,80,720
(e) Repairs, Rent & Maintenances to Plant & Machinery and Vehicles		48,10,34,369		62,19,36,329
(f) Insurance		2,57,90,669		1,12,15,055
(g) Site Expenses		48,33,81,597		42,99,79,597
		6,07,16,45,002		6,46,70,92,955
(h) Changes in Inventories				
Opening Stock of Material	42,10,12,753		40,79,94,252	
Less : Closing Stock of Material	44,58,20,620	(2,48,07,867)	42,10,12,753	(1,30,18,501)
		6,04,68,37,135		6,45,40,74,454

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
21. EMPLOYEE BENEFIT EXPENSES		
(a) Salaries, Wages, Gratuity and Bonus	33,25,01,825	29,57,17,411
(b) Contribution to Provident Fund	1,66,09,063	1,76,92,658
(c) Welfare Expenses	17,55,404	11,88,790
	35,08,66,292	31,45,98,859

Employees' Retirement and other Benefits :

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

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

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2012.

Particulars	Amount (₹)
Changes in Present value of Obligations	
Present value of Obligations as at beginning of year	1,29,65,763
Interest Cost	10,37,261
Current Service Cost	16,82,127
Benefits paid	(13,20,092)
Actuarial (Gain)/Loss on Obligations	(14,63,211)
Present value of obligations as at end of year	1,29,01,848
Changes in the fair value of plan assets	
Fair value of plan assets at beginning of year	84,52,758
Expected return on plan assets	7,52,080
Contributions	62,85,871
Benefits paid	(13,20,092)
Actuarial (Gain)/Loss on Plan assets	—
Fair value of plan assets at the end of year	1,41,70,617
The amounts to be recognized in the Balance Sheet and Statement of Profit and Loss	
Present value of obligations as at the end of year	1,29,01,848
Fair value of plan assets as at the end of the year	1,41,70,617
Funded status	12,68,769
Liability/(Asset) recognized in Balance Sheet	(12,68,769)
Expenses Recognised in Statement of Profit & Loss	
Current Service Cost	16,82,127
Interest Cost	10,37,261
Expected return on plan assets	(7,52,080)
Net Actuarial (Gain)/Loss recognized in the year	(14,63,211)
Expenses recognized in Statement of Profit & Loss	5,04,097

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
22. FINANCIAL COST		
(a) Interest paid to Banks	23,67,33,716	12,37,08,904
(b) Interest paid to Institutions	6,72,69,639	4,27,93,795
(c) Interest paid to Others	6,39,56,507	5,80,06,724
(d) Loss on Foreign Exchange Fluctuation	—	65,02,459
	36,79,59,862	23,10,11,882
23. DEPRECIATION & AMORTISATION EXPENSES		
Depreciation & Amortisation	14,30,41,052	9,58,77,183
Less : Transfer from Revaluation Reserves (Refer Note No. 10)	6,95,908	6,94,006
	14,23,45,144	9,51,83,177
24. OTHER EXPENSES		
(a) Rates & Taxes	32,78,203	24,07,897
(b) Printing and Stationery	12,44,349	10,83,607
(c) Telephone and Postage	23,73,231	22,88,160
(d) Advertisement	14,43,648	3,53,475
(e) Traveling & Conveyance	9,55,637	9,20,353
(f) Business Promotion	15,91,521	25,18,831
(g) Electricity Charges	18,63,613	18,63,991
(h) Professional Fees	2,43,25,024	1,42,76,879
(i) Office Maintenance	1,18,57,208	92,27,692
(j) Tender Expenses	1,04,37,053	1,62,65,768
(k) Bank Charges	58,66,864	1,07,51,228
(l) Directors Remuneration	1,62,73,304	2,72,38,973
(m) Commission to Non-Executive Directors	17,50,000	25,00,000
(n) Auditor's Remuneration	14,98,758	12,93,004
(o) General Expenses	68,95,370	25,94,260
(p) Loss on Sale of Assets	1,08,64,032	—
(q) Donation	5,25,000	4,85,000
	10,30,42,815	9,60,69,118
24.1 PAYMENT TO AUDITORS		
Audit Fees	11,95,000	9,85,000
Certification & Other Services	3,03,758	3,08,004
	14,98,758	12,93,004

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31.03.2012	As at 31.03.2011
25. EARNING PER SHARE		
1. Net Profit after Tax (With Extraordinary Income)	17,77,04,690	25,32,56,727
Less : Extraordinary Income	24,09,261	4,81,99,703
2. Net Profit after Tax & Extraordinary Income	17,52,95,429	20,50,57,024
3. Weighted average Number of shares for Basic EPS (Numbers)	1,95,30,025	1,90,33,608
4. Weighted average Number of shares for Diluted EPS (Numbers)	1,95,30,025	2,25,33,608
5. Basic Earning Per share		
With Extraordinary Income	9.10	13.31
Without Extraordinary Income	8.98	10.77
6. Diluted Earning Per share		
With Extraordinary Income	9.10	11.24
Without Extraordinary Income	8.98	9.10

26. The Financials Statements for the year ended 31.03.2011 had been prepared as per the then applicable, pre-revised Schedule-VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, The Financial Statements for the year ended 31st March, 2012 are prepared under revised Schedule-VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification.

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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.

Date : 30th May, 2012.



VALECHA ENGINEERING LIMITED

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

PROXY FORM

Reg. Folio No.

No. of Shares held

I/We
ofbeing a member/members of the above named
Company, hereby appoint.....

..... of or failing him
..... of

as my/our proxy to attend and vote for me/us on my/our behalf at the Thirty Fifth Annual General Meeting of the
Company to be held on Monday, the 17th September, 2012 at 4-00 p.m. at Sunville Banquet Hall, 9, Dr. Annie Besant Road,
Worli, Mumbai -400 018 and at any adjournment thereof.

Signed thisday of2012

Signature

Affix
₹ 1
Revenue
Stamp

Note: Proxy Forms must reach the Company's Registered Office not less than 48 hours before the meeting.

— TEAR HERE —



VALECHA ENGINEERING LIMITED

Registered Office:

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

35th Annual General Meeting — 17th September, 2012

at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai -400 018.

I hereby record my presence at the Thirty Fifth Annual General Meeting to be held on Monday, the 17th September, 2012 at
4-00 p.m. and at any adjournment thereof.

Full name of Member (IN BLOCK LETTERS)

Reg. Folio No.

No. of Shares held

Full name of Proxy (IN BLOCK LETTERS)

Member's/Proxy's Signature

TEAR HERE



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