



**VALECHA ENGINEERING LIMITED**  
**Annual Report 2012-2013**





Dewatering at Banaso Konar Tunnel Project,  
Hazaribagh, Jharkhand



Kota Link Bridge



Lebad - Manpur 'BOT Project'



BC laying in progress - Bhuj Bhachau-Kachchh



**Board of Directors**

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

**Company Secretary**

Kavita Valecha Sharma

**Auditors:**

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

**Consortium Bankers:**

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

**Solicitors:**

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

**Registrars and Transfer Agents:**

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

<b>Contents</b>	
Notice.....	2
Directors’ Report.....	6
Report on Corporate Governance .....	9
Management Discussion and Analysis Report.....	16
Auditors’ Report.....	17
Balance Sheet.....	20
Statement of Profit & Loss.....	21
Cash Flow Statement .....	22
Significant Accounting Policies .....	24
Notes on Financial Statements.....	26
Statement Pursuant to Section 212 .....	37
Financial Information Regarding Subsidiary Companies .....	38
Consolidated Financial Statements.....	39

## NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Thursday, 26th September, 2013 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, 2013 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. Arvind Thakkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. G. Ramachandran 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.”

### SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) or any re-enactments thereof, read with Schedule XIII to the Act, and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Jagdish K. Valecha as Managing Director, for a period of two years w.e.f. 11th June, 2013, upon terms and conditions as set out in the explanatory statement annexed hereto, with the authority to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to alter and vary the terms and

conditions of the said re-appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Jagdish K. Valecha, but so as not to exceed the limits specified in Schedule XIII to the Act or any amendment thereto or re-enactments thereof, with effect from such dates as may be decided by them.

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

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) or any re-enactments thereof, read with Schedule XIII to the Act and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Umesh H. Valecha as the Whole-Time Director, for a period of two years w.e.f. 1st July, 2013, upon terms and conditions as set out in the explanatory statement annexed hereto with the authority to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to alter and vary the terms and conditions of the said re-appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Umesh H. Valecha, but so as not to exceed the limits specified in Schedule XIII to the Act or any amendment thereto or re-enactments thereof, with effect from such dates as may be decided by them.

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

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) or any re-enactments thereof, read with schedule XIII to the Act and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Dinesh H. Valecha as the Whole-Time Director, for a period of two years w.e.f. 1st August, 2013, upon terms and conditions as set out in the



explanatory statement annexed hereto with the authority to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to alter and vary the terms and conditions of the said re-appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Dinesh H. Valecha, but so as not to exceed the limits specified in Schedule XIII to the Act or any amendment thereto or re-enactments thereof, with effect from such dates as may be decided by them.

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

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

"RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956 (the "Act") read with Director's Relative (Office or Place of Profit) Rules, 2011 subject to approval of the members at the General Meeting and all other applicable provisions if any of the Act and subject to the approval of the Central Government if required, consent of the Company be and is hereby accorded to Mr. Karan Valecha relative of Director of the Company to hold and continue to hold an office or place of profit as the Sr. Executive of the Company at an enhanced remuneration not exceeding ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per month including allowances, perquisites and benefits as per the policies of the Company w.e.f. 1st April, 2013.

RESOLVED FURTHER THAT each of the Directors and Company Secretary of the Company be and are hereby authorised jointly and severally to do all such acts, matters, deeds and things necessary in order to give effect to the above resolution".

By order of the Board

KAVITA VALECHA SHARMA  
Company Secretary

Place : Mumbai

Date : 14th August, 2013

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 20th September, 2013 to 26th September, 2013 (both days inclusive).

- (C) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 (Act), relating to the Special Business to be transacted at the meeting is annexed hereto.

- (D) The dividend declared at the meeting, will be made payable on or before 25th October, 2013 as applicable, in respect of shares held in physical form to those members whose names appear on the Register of Members on Friday, 20th September, 2013. The dividend in respect of shares held in the electronic form will be payable to the beneficial owners of the shares as on the Friday, 20th September, 2013.

- (E) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto and including the financial year ended on 31st March, 2005 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, 2006 onwards are requested to write to the Company's Registrar and Transfer Agents, TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

- (F) Members are requested to notify immediately any change in their address to the Company and details about their Bank Account Number, Name of the Bank, Bank's Branch name and address to enable the Company to draw dividend payable accordingly. In respect of shares held in electronic form, the instruction regarding change of address should be given directly to the Depository Participants, the Company cannot entertain any such request directly from the shareholders.

- (G) As the equity shares of the company are compulsorily traded in demat form, members holding equity shares in physical form are requested to get the shares converted in demat form.

- (H) Members who have not registered their e-mail address so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with TSR Darashaw Limited, Registrar and Share Transfer Agent of the company.
- (I) To avoid loss of dividend warrants in transit and undue delay in receipt thereof, members are advised to avail the facility for receipt of 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.
- (J) Any member requiring further information as regards accounts at the meeting is requested to send queries in

writing to the Company's Registered Office so as to reach on or before 19th September, 2013 so that the information required can be made available at the meeting.

- (K) Members/proxies should bring their attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.

By order of the Board

**KAVITA VALECHA SHARMA**  
Company Secretary

Place : Mumbai  
Date : 14th August, 2013

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

## ANNEXURE TO NOTICE

*Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.*

### Item Nos. 6, 7 & 8

The Board of Directors at its meeting held on 14th August, 2013 have re-appointed Mr. Jagdish K. Valecha as Managing

Director, Mr. Umesh H. Valecha and Mr. Dinesh H. Valecha as Whole Time Directors of the company. These reappointments are subject to approval of shareholders at this meeting.

The Principal terms and conditions of appointment are as under:

Name & Designation	Period of Appointment	Salary	Commission & Incentives
Mr. Jagdish K. Valecha Managing Director	2 years w.e.f. 11th June, 2013	₹ 7,25,000/- per month w.e.f. 11th June, 2013 (increase by ₹ 1,25,000/- w.e.f. 11th June, 2014)	Commission and Incentives, if any, not exceeding the limit of 3% of net profit for the relevant year as stipulated in Section 198, 309 and Schedule XIII of the Companies Act, 1956 (the "Act").
Mr. Umesh H. Valecha Whole Time Director	2 years w.e.f. 1st July, 2013	₹ 4,50,000/- per month w.e.f. 1st July, 2013 (increase by ₹ 1,00,000/- w.e.f. 1st July, 2014)	Commission and Incentives, if any, not exceeding the limit of 3% of net profit for the relevant year as stipulated in Section 198, 309 and Schedule XIII of the Companies Act, 1956 (the "Act").
Mr. Dinesh H. Valecha Whole Time Director	2 years w.e.f. 1st August, 2013	₹ 4,50,000/- per month w.e.f. 1st August, 2013 (increase by ₹ 1,00,000/- w.e.f. 1st August, 2014)	Commission and Incentives, if any, not exceeding the limit of 3% of net profit for the relevant year as stipulated in Section 198, 309 and Schedule XIII of the Companies Act, 1956 (the "Act").

**Perquisites:**

**PART – A**

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

**PART – B**

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

**PART – C**

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

1. The terms and conditions of the said appointment/re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in that regard.
2. The agreement may be terminated by either party giving the other party three months' notice. However, the appointment may be terminated by less than three months' notice by mutual consent between the parties.
3. If at any time the Executive Directors ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Executive Director.
4. The Executive Directors shall not be entitled to sitting fees for attending meetings of the Board of Directors of the Company or any committee or committees thereof.

5. The Executive Directors shall be entitled to leave, on full pay allowance, at the rate of one month for every eleven months of service. Leave accumulated but not availed of shall not be allowed to be encashed.
6. In the event of loss or inadequacy of profits in any financial year the Executive Directors may be paid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in Schedule XIII to the Act.
7. Managing Director shall not be liable for retirement by rotation

This may be treated as an abstract under Section 302 of the Companies Act, of the terms of the agreement.

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

Your Directors recommend the resolution at item nos. 6, 7 and 8 for your approval.

**Item No. 9**

Mr. Karan J. Valecha has been rendering valuable services to the Company since appointment. Therefore, the Special Resolution relates to the enhancement of the salary of Mr. Karan J. Valecha who is in the employment of the Company as the Sr. Executive of the Company and is the son of Mr. Jagdish K. Valecha, Managing Director of the Company. As per the requirements of Section of 314, any enhancement in the remuneration of the person holding office or Place of profit shall be approved by a special resolution. The revised remuneration will be not exceeding ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per month including allowances, perquisite and benefits as per the policies of the Company w.e.f. 1st April, 2013.

The Board of Directors recommend resolution at item No. 9 for the approval of the members. None of the Directors except Mr. Jagdish K. Valecha is interested in this resolution.

By order of the Board

**KAVITA VALECHA SHARMA**  
*Company Secretary*

Place : Mumbai

Date : 14th August, 2013

**DIRECTORS' REPORT**

To The Members,

The Directors present their Thirty Sixth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2013.

	(₹ in lacs)	
	2012-2013	2011-2012
<b>1. Financial Results:</b>		
<b>(Standalone Basis)</b>		
Net Sales/Income from Operations	<b>73971.97</b>	70462.42
Other Income	<b>1444.76</b>	1539.23
	<b>75416.73</b>	72001.65
Less: Total Expenditure	<b>67562.37</b>	64928.27
Gross Profit Before Interest Depreciation, Taxes and Extraordinary Income	<b>7854.36</b>	7073.38
Less: Interest	<b>3749.56</b>	2795.16
Profit Before Depreciation, Tax and Extraordinary Income	<b>4104.80</b>	4278.22
Less: Depreciation	<b>1060.44</b>	1045.75
Profit Before Extraordinary Income & Tax	<b>3044.36</b>	3232.47
Add: Extraordinary Income	—	24.09
Profit Before Tax	<b>3044.36</b>	3256.56
Provision for Tax:-		
Current Tax	<b>800.00</b>	775.00
Deferred Tax	<b>174.09</b>	243.29
Profit After Tax	<b>2070.27</b>	2238.27
Add: Balance Brought Forward from Last year	<b>14866.90</b>	13300.76
Prior year adjustment for Taxes & Others	<b>(123.66)</b>	(45.15)
Profit for Appropriation	<b>16813.51</b>	15493.88
<b>APPROPRIATIONS</b>		
Proposed Dividend	<b>195.30</b>	195.30
Tax on Dividend	<b>31.68</b>	31.68
Transfer to General Reserves	<b>400.00</b>	400.00
Balance carried to Balance Sheet	<b>16186.53</b>	14866.90
	<b>16813.51</b>	15493.88
Paid-Up Equity Share Capital	<b>1953.00</b>	1953.00
Reserves (Excluding Revaluation Reserves)	<b>28585.71</b>	26866.09
E.P.S. With Extraordinary Item		
— Basic	<b>10.60</b>	11.46
— Diluted	<b>10.60</b>	11.46
Without Extraordinary Item		
— Basic	<b>10.60</b>	11.34
— Diluted	<b>10.60</b>	11.34

**2. Dividend:**

The Directors recommend payment of dividend of ₹ 1.00 per share (Previous Year ₹ 1.00 per share) for the year ended 31st March, 2013 on fully paid Equity Shares, subject to approval by the members at the Thirty Sixth Annual General Meeting to be held on 26th September, 2013.

**3. Operations:**

The Profit Before Tax without Extraordinary Income (PBT) has marginally decreased by 5.82% from ₹ 3232.47 Lacs in the previous year to ₹ 3044.36 Lacs for the year 2012-2013, even though the turnover has increased by 4.98%. The Profit After Tax without Extraordinary Income (PAT) was ₹ 2070.27 Lacs for the year 2012-2013 as compared to PAT of ₹ 2214.18 Lacs (without extraordinary income) for the previous year representing decrease by 6.50%.

**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 ₹ 4068.84 Lacs (Previous Year ₹ 3079.20 Lacs). There were no deposits, which were claimed and remained unpaid by the Company as on 31st March, 2013.

**5. Outlook and Review:**

The Indian Government has clearly indicated that Infrastructure Development remains the nation's top priority. Recognizing the need to boost the Road and Highway sector, the Government has taken several steps for speedy implementation of highway projects which includes grant of special exemption or no-objection certificate under the Forest Rights Act, 2006 for widening national highways; delinking of environment and forest clearances for linear road projects; increase in the ceiling of four-laning under NHDP Phase IV from 4,000 km to 8,000 km to be implemented on a Build-Operate-Transfer (BOT) toll basis, determining the execution mode of road projects BOT (toll), BOT (annuity) and Engineering, Procurement and Construction (EPC) by The Ministry of Road Transport and Highway (MoRTH) on the basis of passenger car units; approval of 4,000 km of road projects to be undertaken on an EPC basis; and treatment of debt in the case of BOT project as secured loans. To revive the Highway Sector and attract developers, the Government has approved the proposal allowing Company's to exit projects by substituting its developers without attracting punitive measures, which the developers could earlier do only after two years after the Commercial Operation Date. This will improve the opportunities in the Roads and Highway Sector.



During the year the Company has bagged projects worth more than ₹ 1000.00 crores which include:

(i) BOT Highway project in MP (ii) 2 ROB & 1 Fly Over Bridge projects at Surat (iii) Extension of Airstrip at Agdih, Jashpur, Chhatisgarh (iv) Construction of Bridges in Jammu & Kashmir (v) Widening and Improvement of State Highway project between Karjat – Hal – Phata for MMRDA (vi) Project for Widening from two lane to four lane at Uttar Pradesh (vii) Pilling Projects (viii) Construction of Rapti Main Canal project at Uttar Pradesh (ix) Diaphragm Wall works and Pilling/Plunge Columns for Contract CC-05 of Delhi Metro Rail Corporation.

## 6. Directors:

The Board of Directors at its meeting held on 14th August, 2013 have reappointed Mr. Jagdish K. Valecha as Managing Director, Mr. Dinesh Valecha and Mr. Umesh H. Valecha as Whole Time Directors of the Company.

### Retirement by Rotation:

In accordance with the requirement of the Companies Act, 1956, Mr. Arvind Thakkar and Mr. G. Ramachandran, Directors of the Company are due for retirement by rotation and are eligible for reappointment.

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

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

M/s. D. M. Jani & Co., 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.

## 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, from applicability of provisions of Section 212 of the Companies Act, 1956, the reports and annual accounts of the subsidiary companies for the financial year ended March 31, 2013 have not been attached to the Company's Accounts. However Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Accounting Standards (AS) 21, form part of the Annual Report.

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

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

## 11. Code of conduct:

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

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

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

### A. Conservation of Energy:

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

### B. Technology absorption:

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

### C. Foreign Exchange Earnings & Outgo:

	(₹ in lacs)	
	Current Year	Previous Year
Foreign Exchange Outgo	647.87	1918.40
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, 2013 and of the profit or Loss of the Company for that period. Proper and sufficient

care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

**16. Acknowledgements:**

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

For and on Behalf of the Board

**ANIL HARISH**  
*Chairman*

Place : Mumbai

Date : 14th August, 2013.

## 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. The Company is in the compliance of Clause-49 of the Listing Agreement.

During the year 2012-2013, the Board met Six times, with at least one meeting in every quarter and with a gap of less than four months between two meetings on the following dates, namely 30th May, 2012, 26th July, 2012, 14th August, 2012, 9th October, 2012, 9th November, 2012 and 12th February, 2013.

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	6	Attended	2	2	—
Mr. D. H. Valecha	Executive & Non-Independent	5	Attended	2	1	—
Mr. U. H. Valecha	Executive & Non-Independent	4	Attended	2	—	—
Mr. G. Ramachandran	Non-Executive & Independent	5	Attended	—	—	2
Mr. Arvind Thakkar	Non-Executive & Independent	Nil	Attended	—	—	—

#### Details of Directors seeking appointment/reappointment at the 36th Annual General Meeting: (Pursuant to Clause 49 of the Listing Agreement):

1.	Name	Mr. Jagdish K. Valecha
	Age	54 years
	Qualifications	B.Com.
	Shareholding as on 31-03-2013	50625
	Expertise	Over 30 years of experience in execution of Civil Construction Works.
	Other Directorship	Valecha Infrastructure Limited and Valecha Power Limited (excluding private companies, foreign companies & section 25 companies)
	Committee Member/Chairmanship	Member-Audit Committee (Valecha Engineering Ltd.) Member-Shareholder/Investors Grievance Committee (Valecha Engineering Ltd.)



2.	Name Age Qualifications Shareholding as on 31-03-2013 Expertise Other Directorship Committee Member/Chairmanship	Mr. Umesh H. Valecha 37 years B.E. (Civil) 2587 Over 14 years of experience of Civil Construction Works. Valecha Infrastructure Limited and Valecha Reality Limited (excluding private companies, foreign companies & section 25 companies) Nil
3.	Name Age Qualifications Shareholding as on 31-03-2013 Expertise Other Directorship Committee Member/Chairmanship	Mr. Dinesh H. Valecha 43 years B.E. (Electronics) D.B.M. 2812 Over 20 years of experience in Civil Construction Works. Valecha Infrastructure Limited and Valecha Reality Limited (excluding private companies, foreign companies & section 25 companies) Member – Shareholders/Investor Grievance Committee
4.	Name Age Qualifications Shareholding as on 31-03-2013 Expertise Other Directorship Committee Member/Chairmanship	Mr. G. Ramachandran 53 years Chartered Accountant NIL Chartered Accountant over 30 years of experience in the field of Investment Banking, Consultancy, Business Process and Organizational Development. NIL Chairman – Audit Committee and Shareholders/Investor Grievance Committee of Valecha Engineering Limited.
5.	Name Age Qualifications Shareholding as on 31-03-2013 Expertise Other Directorship Committee Member/Chairmanship	Mr. Arvind Thakkar 69 years Chartered Accountant 300687 Over 42 years of experience in the finance, acquisitions & mergers, cost and management accounting. NIL (Not a director in any other Indian Company). NIL

### 3. Audit Committee:

As on 31st March, 2013 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 2012-2013 on 30th May, 2012, 14th August, 2012, 9th November, 2012 and 12th February, 2013 and the attendance of the members at the meeting was as follows:

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

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

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.

#### Remuneration of Directors for 2012-2013:

(₹ in lacs)

Sr. No.	Name of Directors	Salary and Perquisites	Sitting Fees	Commission	Total
1.	Mr. Anil Harish	—	0.30	7.50	7.80
2.	Mr. Jagdish K. Valecha	81.75	—	—	81.75
3.	Mr. Dinesh H. Valecha	47.81	—	—	47.81
4.	Mr. Umesh H. Valecha	43.83	—	—	43.83
5.	Mr. G. Ramachandran	—	0.25	5.00	5.25
6.	Mr. Arvind Thakkar	—	—	5.00	5.00
	Total	173.39	0.55	17.50	191.44

#### 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 oversees the performance of the Registrar and Share Transfer Agent and recommends measures for over all improvement of the quality of investor's services. The Committee held 12 meetings during the year 2012-2013. As of 31st March, 2013 there were no unresolved investors complaints pending and no shares pending for transfer.

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

During the year under review, the Company had received 31 complaints from shareholders and the same have been redressed to their satisfaction.

#### 6. Subsidiary Companies:

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

#### 7. Code of Conduct:

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

#### 8. General Body Meetings:

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

Date	Time	Details of Special Resolution	Relevant Section
17th September, 2012	4.00 p.m.	NIL	NIL
29th July, 2011	4.00 p.m.	Commission to Non-Executive Director	309
30th July, 2010	4.00 p.m.	NIL	—

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

#### 9. Disclosures:

- There are no transactions of material nature that have been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the

Company. Transactions with related parties are disclosed in notes to Accounts forming part of the Balance Sheet in the Annual Report.

2. On July 26, 2013, the Adjudicating Officer, SEBI passed an order under Section 15-I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for holding enquiry and imposing penalties by the Adjudicating Officer) Rules 1995, imposing a monetary penalty of ₹ 2.00 Lacs (Rupees Two Lacs).  
Being aggrieved by the said order, the company is in the process of filing an appeal before the Hon'ble Securities Appellate Tribunal, Mumbai.
3. The Director's Report includes details of Management Discussion and Analysis including Risks & Concerns.
4. Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others.
5. All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.

**10. Means of Communication:**

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

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

**11. 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](http://www.valechaeng.com)". All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director has been obtained and is enclosed at the end of this report.

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

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

**14. General Shareholder Information:**

- \* AGM : Date : 26th September, 2013  
Time : 4.00 p.m.  
Venue : Sunville Banquet Hall,  
9, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
- \* Financial Calendar : April to March (Financial year)  
First Quarter Results – 1st/2nd week of August  
Second Quarter Results – 1st/2nd week of November  
Third Quarter Results – 1st/2nd week of February  
Annual Audited Result – Last week of May
- \* Book Closure : 20th September, 2013 to 26th September, 2013
- \* Dividend Payment date : On or before 25th October, 2013
- \* 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 2013-2014 of the stock exchanges has been paid.

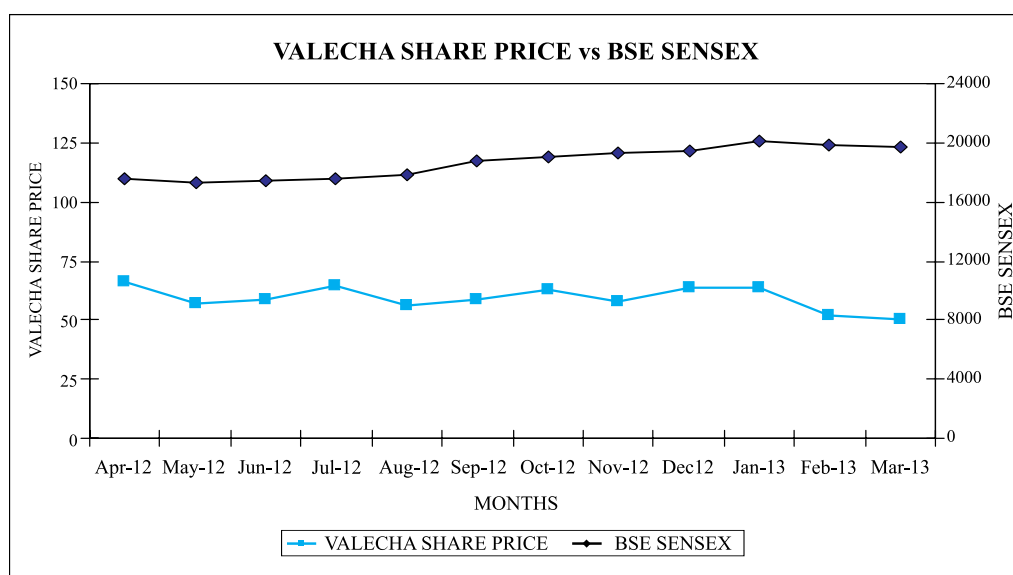
#### Listing on Stock Exchanges:

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, 2012	66.15	57.80	66.35	57.85
May, 2012	57.40	48.40	57.85	48.15
June, 2012	58.45	48.85	58.50	48.75
July, 2012	64.50	52.05	64.45	52.50
August, 2012	55.75	48.90	55.55	48.90
September, 2012	58.65	48.00	58.75	48.00
October, 2012	62.50	57.10	60.95	57.15
November, 2012	57.70	52.10	58.05	52.00
December, 2012	63.50	55.10	63.70	55.25
January, 2013	63.60	52.45	63.70	52.50
February, 2013	52.30	45.60	52.50	45.70
March, 2013	50.55	42.80	50.70	43.10



- \* 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, 2013.

**Distribution of Holdings (as on 31st March, 2013)**

Shareholding of Nominal Value		Shareholders		Share Amount	
₹	₹	No.	% To Total	₹	% To Total
1	5,000	12019	86.05	16734240	8.57
5,001	10,000	956	6.84	7524680	3.85
10,001	20,000	512	3.68	7625220	3.90
20,001	30,000	172	1.23	4289300	2.20
30,001	40,000	59	0.42	2105250	1.08
40,001	50,000	59	0.42	2720870	1.39
50,001	1,00,000	94	0.67	6853440	3.51
1,00,001	Above	96	0.69	147447250	75.50
<b>TOTAL</b>		<b>13967</b>	<b>100.00</b>	<b>195300250</b>	<b>100.00</b>

**Share Holding Pattern**

Sr. No.	Category	No. of Shares	%
1.	Promoters (Promoter group)	9436533	48.32
2.	NRI's	1090111	5.59
3.	Bodies Corporate	2056632	10.53
4.	Financial Institution/Mutual Fund	726524	3.72
5.	Foreign Institution Investors	350000	1.79
6.	Others:		
	Independent Directors	387409	1.98
	Shares held by Custodians issued against GDRs	371250	1.90
	Indian Public	5111566	26.17
	<b>TOTAL</b>	<b>19530025</b>	<b>100</b>

- \* Dematerialization of Shares: As on 31st March, 2013, 97.92% of the Company's total shares representing 19124216 Shares were held in dematerialised form.
- \* Outstanding GDRs/ADRs/Warrants: There were no outstanding GDRs/ADRs/Warrants as on 31st March, 2013.

The Share are available in Demat form with:

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

- \* Plant Location: The Company has various sites.

\* Address for correspondence:

**(1) Company:**

**VALECHA ENGINEERING LIMITED**

“Valecha Chambers”, 4th Floor,  
Andheri New Link Road,  
Andheri (West), Mumbai-400 053.  
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:**

All Board Members and senior management personnel have, for the year ended 31st March, 2013, affirmed compliance with Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered into with the Stock Exchange.

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

Place : Mumbai

Date : 14th August, 2013

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

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

We have examined the Compliance of conditions of Corporate Governance by Valecha Engineering Limited, for the year ended on 31st March, 2013 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 : 14th August, 2013



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**(a) Industry Structure and Developments:**

Roads are a major mode of transportation in India today, as they carry almost 90 per cent of the country's passenger traffic and about 65 percent of its freight.

Road development does not only talk about urban space, but is also very important for the growth of rural India. Budget 2013-2014 has provided a renewed thrust to rural India.

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

The comprehensive review reveals that the Road and Highway projects have difficulty in execution due to delay in land acquisition, environmental clearances, road over bridge clearances, law and order problems, rehabilitation and settlement issues. The Government has taken several steps for speedy implementation of highway projects. It provides various incentives for private and foreign sector investment in the roads sector apart from allowing 100 per cent foreign direct investment (FDI) under the automatic route for support services to land transport such as operation of highway bridges, toll roads and vehicular tunnels. Such services also include services incidental to transport such as cargo handling, construction and maintenance of roads, bridges; and construction and maintenance of roads and highways offered on Build Operate Transfer (BOT) basis, including collection of toll. These incentives will increase the opportunity in the Infrastructure Sector.

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

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

**(d) Outlook:**

With strong pipeline of road projects to be awarded by NHAI and State Governments over the next 3-4 years, the opportunities for both developers and contractors would be sizeable, and players with strong balance sheet and ability to raise funds would be better placed to benefit from this. As large investments are planned in this sector, the participation of private sector will be indispensable, and Government is likely to facilitate policies to attract higher interest. Some of the initiatives like creation of Infrastructure Debt Funds (IDFs) and the active role played by India Infrastructure Finance Company Limited (IIFCL) will assume greater importance in channelizing the much needed long-term debt funds into this sector. Government could also ease norms for stake sale in completed BOT projects and also work towards solving some of the other issues like a quick resolution of the disputed claims which would improve liquidity available to the sector. The proposal to set up an independent regulator would also be a positive for the sector.

**(e) Internal Control Systems and Their Adequacy:**

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

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

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

The Profit Before Tax without Extraordinary Income (PBT) has marginally decreased by 5.82% from ₹ 3232.47 Lacs in the previous year to ₹ 3044.36 Lacs for the year 2012-2013, even though the turnover has increased by 4.98%. The Profit After Tax without Extraordinary Income (PAT) was ₹ 2070.27 Lacs for the year 2012-2013 as compared to PAT of ₹ 2214.18 Lacs (without extraordinary income) for the previous year representing decrease by 6.50%.

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

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

**(h) Cautionary Statement:**

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

## INDEPENDENT AUDITORS' REPORT

**To The Members of  
Valecha Engineering Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of VALECHA ENGINEERING LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give

the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
2. As required by section 227(3) of the Companies Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956.

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

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

Place : Mumbai  
Date : 30th May, 2013

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

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

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (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 ₹ 19,115.64 lacs and the year-end balance of loans granted to such parties was ₹ 19,115.64 lacs.
  - (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the company.
  - (c) The parties have been regular in the payment of principal and interest as per stipulation, if any.
- (d) There is no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of Inventory and Fixed Assets and also for the Sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Tribunal on the Company in respect of the above said Deposits.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities, According to the information and explanation given to us,

no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable. However, there was a delay in payment of Income Tax TDS amounting to ₹ 1.84 Crores, which was paid on April 2, 2013.

- (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 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
  11. In our opinion and according to the information and explanations give to us, the company has not defaulted in repayment of dues to a financial institutions and Banks.
  12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
  14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
  15. According to the information and explanations given to us, the Company has given the corporate guarantee for loans taken by its ultimate subsidiaries from the banks,

the terms and conditions whereof in our opinion are not *prima facie* prejudicial to the interest of the Company.

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

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

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

Place : Mumbai  
Date : 30th May, 2013

**BALANCE SHEET AS AT 31st MARCH, 2013**

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2013		As at 31st March, 2012	
<b>I. EQUITY AND LIABILITIES :</b>					
<b>1. Shareholders' Funds :</b>					
(a) Share Capital	1	19,53,00,250		19,53,00,250	
(b) Reserves & Surplus	2	2,86,59,20,316	3,06,12,20,566	2,69,46,51,576	2,88,99,51,826
<b>2. Non Current Liabilities :</b>					
(a) Long Term Borrowings	3	1,54,29,13,230		1,11,43,93,888	
(b) Deferred Tax Liabilities (Net)	4	24,71,99,946		22,97,90,415	
(c) Other Long Term Liabilities	5	1,74,05,15,242	3,53,06,28,418	1,99,63,00,470	3,34,04,84,773
<b>3. Current Liabilities :</b>					
(a) Short Term Borrowings	6	75,80,90,291		92,84,73,938	
(b) Trade Payables	7	1,13,59,28,816		1,02,55,59,478	
(c) Other Current Liabilities	8	1,35,94,03,435		1,26,33,19,659	
(d) Short Term Provisions	9	2,26,98,283	3,27,61,20,825	2,26,98,283	3,24,00,51,358
<b>Total</b>			<b>9,86,79,69,809</b>		<b>9,47,04,87,957</b>
<b>II. ASSETS :</b>					
<b>1. Non Current Assets :</b>					
<b>(a) Fixed Assets :</b>					
(i) Tangible Assets	10	1,62,37,17,929		1,67,18,85,760	
(ii) Capital Work in Progress		—	1,62,37,17,929	45,251	1,67,19,31,011
<b>(b) Non Current Investments</b>	11		<b>73,07,50,743</b>		<b>72,90,83,566</b>
<b>(c) Long Term Loans &amp; Advances</b>	12		<b>83,16,068</b>		<b>95,18,471</b>
<b>2. Current Assets :</b>					
(a) Inventories	13	52,78,66,125		44,58,20,620	
(b) Trade Receivables	14	2,04,35,19,178		2,10,75,64,427	
(c) Cash and Cash Equivalents	15	71,43,04,385		55,04,51,996	
(d) Short Term Loans & Advance	16	4,19,77,93,975		3,89,27,96,133	
(e) Other Current Assets	17	2,17,01,406	7,50,51,85,069	6,33,21,733	7,05,99,54,909
<b>Total</b>			<b>9,86,79,69,809</b>		<b>9,47,04,87,957</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	<b>1 to 31</b>				

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

For and on behalf of the Board

**Dilip M. Jani**  
 Proprietor

**Kavita Valecha Sharma**  
 Company Secretary

**Anil Harish**  
 Chairman

**Jagdish K. Valecha**  
 Managing Director

 Place : Mumbai.  
 Date : 30th May, 2013.



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2013		As at 31st March, 2012	
<b>I. INCOME</b>					
Revenue from Operations	18		7,39,71,96,571		7,04,62,42,373
Other Income	19		14,44,76,397		15,39,23,240
<b>Total Revenue</b>			<b>7,54,16,72,968</b>		<b>7,20,01,65,613</b>
<b>II. EXPENSES</b>					
Construction Expenses	20		6,33,31,88,468		6,06,82,78,002
Changes in Inventories	20		(8,20,45,505)		(2,48,07,867)
Employee Benefit Expenses	21		38,00,61,715		34,94,41,387
Financial Cost	22		37,49,56,118		27,95,16,155
Depreciation and Amortisation Expense	23		10,60,43,730		10,45,74,567
Other Expenses	24		12,50,31,993		9,99,16,470
<b>Total Expenses</b>			<b>7,23,72,36,519</b>		<b>6,87,69,18,714</b>
<b>III. PROFIT BEFORE EXTRAORDINARY ITEM &amp; TAX</b>			<b>30,44,36,449</b>		<b>32,32,46,899</b>
<b>IV. Extraordinary Item (Income)</b>			—		24,09,261
<b>V. PROFIT BEFORE TAX (III + IV)</b>			<b>30,44,36,449</b>		<b>32,56,56,160</b>
<b>VI. TAX EXPENSES</b>					
Current Tax		8,00,00,000		7,75,00,000	
Deferred Tax		1,74,09,531	9,74,09,531	2,43,29,009	10,18,29,009
<b>VII. PROFIT FOR THE YEAR (V – VI)</b>			<b>20,70,26,918</b>		<b>22,38,27,151</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	1 to 31				
<b>Earning Per Share (in ₹)</b>					
Basic – With Extraordinary Income			10.60		11.46
– Without Extraordinary Income			10.60		11.34
Diluted – With Extraordinary Income			10.60		11.46
– Without Extraordinary Income			10.60		11.34

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

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2013.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

(Amount in ₹)

<b>PARTICULARS</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
<b>A. Cash flow from Operating Activities</b>		
Profit Before Tax and Extraordinary Items	<b>30,44,36,449</b>	32,32,46,899
<b>Add/(Deduct) Adjustment for :</b>		
Depreciation	<b>10,60,43,730</b>	10,45,74,567
Financial cost	<b>37,49,56,118</b>	27,95,16,155
Rent from Property	<b>(4,63,29,136)</b>	(5,36,73,441)
Miscellaneous Income	<b>(1,46,35,920)</b>	(2,86,38,655)
Interest Earned	<b>(7,29,26,853)</b>	(5,64,81,648)
Loss/(Profit) on Sale of Fixed Assets	<b>1,16,21,396</b>	1,08,64,032
<b>Operating Profit Before Working Capital Changes</b>	<b>66,31,65,784</b>	57,94,07,909
<b>Adjustment for :</b>		
Trade and Other Receivables	<b>(72,28,728)</b>	(1,07,42,30,326)
Inventories and Projects in Progress	<b>(4,04,25,178)</b>	(7,49,08,256)
Trade and other Payables	<b>(4,80,18,102)</b>	1,24,50,55,181
<b>Cash Generated From Operations</b>	<b>56,74,93,776</b>	67,53,24,508
Direct Taxes (Paid)	<b>(7,74,72,648)</b>	(8,82,22,739)
Prior year adjustments	<b>(1,23,65,889)</b>	(45,14,785)
<b>Net Cash Flow from Operating Activities</b>	<b>47,76,55,239</b>	58,25,86,984
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	<b>(7,70,52,744)</b>	(32,90,23,789)
Proceeds from Sale of Fixed Assets	<b>68,61,443</b>	9,92,22,872
Changes in Capital Work in Progress	<b>45,251</b>	2,10,40,280
Proceeds from Sale of Investments	<b>(16,67,177)</b>	(56,68,06,410)
Advance to Subsidiary Company	<b>(23,50,48,814)</b>	5,11,21,616
Interest Earned	<b>7,29,26,853</b>	5,64,81,648
Profit on sale of investment	<b>—</b>	24,09,261
Rent and Miscellaneous Receipts	<b>6,09,65,056</b>	8,23,12,096
<b>Net Cash Flow From Investing Activities</b>	<b>(17,29,70,132)</b>	(58,32,42,426)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013 — (Contd.)

(Amount in ₹)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	32,82,41,329	9,84,33,568
Proceeds from Unsecured Borrowings	9,89,64,000	43,35,000
Proceeds from Short Term Borrowings	(17,03,83,646)	22,10,71,914
Financial Cost	(37,49,56,118)	(27,95,16,155)
Dividend Paid	(1,95,30,025)	(3,12,48,040)
Dividend Tax Paid	(31,68,258)	(50,69,213)
<b>Net Cash Flow From Financing Activities</b>	<b>(14,08,32,718)</b>	80,07,074
<b>Net Increase in Cash and Cash Equivalents</b>	<b>16,38,52,389</b>	73,51,632
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>55,04,51,996</b>	54,31,00,364
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>71,43,04,385</b>	55,04,51,996

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

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.

Date : 30th May, 2013.

## 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 Projects-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 Projects in progress) thereon is charged to the projects from the date of its revenue recognition.

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

**H. Other income**

Interest income is accounted on accrual basis.

**I. Foreign currency transactions**

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

**J. Segment reporting**

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

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

Current Tax :

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

Deferred Tax Provision :

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

**L. Provisions and contingencies**

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



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

(Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
<b>1. SHARE CAPITAL</b>				
<b>Authorised</b>				
3,50,00,000 Equity Shares of ₹ 10/- each		<b>35,00,00,000</b>		35,00,00,000
<b>Issued &amp; Subscribed</b>				
1,95,30,025 Equity Shares of ₹ 10/- each fully paid-up.		<b>19,53,00,250</b>		19,53,00,250
		<b>19,53,00,250</b>		19,53,00,250

(Of the above Shares 59,76,675 Shares (F.Y. 2008-09) are allotted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve).

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

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held	Amount in ₹	No. of Shares held	Amount in ₹
Equity Shares :				
Shares at the beginning of the year	<b>1,95,30,025</b>	<b>19,53,00,250</b>	1,95,30,025	19,53,00,250
Add : Shares issued during the year	—	—	—	—
Shares at the end of the year	<b>1,95,30,025</b>	<b>19,53,00,250</b>	1,95,30,025	19,53,00,250

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

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

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

Name of the Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% held	No. of Shares	% held
Valecha Investment Pvt. Ltd.	<b>78,25,000</b>	<b>40.07</b>	78,25,000	40.07

(Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
<b>2. RESERVES AND SURPLUS</b>				
<b>a. Securities Premium Account :</b>				
Balance as per last Balance Sheet		<b>84,09,37,635</b>		84,09,37,635
<b>b. Revaluation Reserve :</b>				
Balance as per last Balance Sheet	<b>80,42,872</b>		87,38,780	
Less : Transfer to Statement of Profit & Loss *	<b>6,94,006</b>	<b>73,48,866</b>	6,95,908	80,42,872
<b>c. General Reserve :</b>				
Balance as per last Balance Sheet	<b>35,89,80,873</b>		22,44,80,873	
Add : Forfeiture of Preferential Warrants	—		9,45,00,000	
Add : Transfer from surplus in Statement of Profit & Loss	<b>4,00,00,000</b>	<b>39,89,80,873</b>	4,00,00,000	35,89,80,873
<b>d. Surplus in Statement of Profit &amp; Loss :</b>				
Balance as per last Balance Sheet	<b>1,48,66,90,196</b>		1,33,00,76,113	
Add : Profit for the Year	<b>20,70,26,918</b>		22,38,27,151	
Less : Prior Year Adjustments for Taxes & Others	<b>1,23,65,889</b>		45,14,785	
	<b>1,68,13,51,225</b>		1,54,93,88,479	
Less : Appropriations				
Transfer to General Reserves	<b>4,00,00,000</b>		4,00,00,000	
Proposed Dividend	<b>1,95,30,025</b>		1,95,30,025	
Tax on Dividend	<b>31,68,258</b>	<b>1,61,86,52,942</b>	31,68,258	1,48,66,90,196
		<b>2,86,59,20,316</b>		2,69,46,51,576

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>3. LONG TERM BORROWINGS</b>		
<b>a. Secured</b>		
<b>Term Loans :</b>		
i. From Banks	55,85,01,350	48,51,57,150
ii. From Financial Institutions	73,34,56,880	43,63,93,738
<b>b. Unsecured</b>		
i. Fixed Deposits	25,09,55,000	19,28,43,000
	<b>1,54,29,13,230</b>	<b>1,11,43,93,888</b>

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

Nature of Security	Terms of Repayment
(1) Auto Loan with the outstanding balance of ₹ 29.27 lacs (March 2012 : ₹ 53.80 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from June 2011 and the last installment due in April 2014. Rate of Interest at 9.16% p.a.
(2) Auto Loan with the outstanding balance of ₹ 6.72 lacs (March 2012 : ₹ 9.71 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from April 2012 and the last installment due in February 2015. Rate of Interest at 10.90% p.a.
(3) Auto Loan with the outstanding balance of ₹ 2.61 lacs (March 2012 : ₹ 7.45 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from October 2010 and the last installment due in September 2013. Rate of Interest at 9.40% p.a.
(4) Auto Loan with the outstanding balance of ₹ 3.29 lacs (March 2012 : ₹ 6.89 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from Jan. 2011 and the last installment due in January 2014. Rate of Interest at 9.40% p.a.
(5) Auto Loan with the outstanding balance of ₹ 5.43 lacs (March 2012 : ₹ 8.39 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from Nov. 2011 and the last installment due in October 2014. Rate of Interest at 10.70% p.a.
(6) Auto Loan with the outstanding balance of ₹ 12.83 lacs (March 2012 : ₹ 19.38 lacs) is secured by exclusive and Specific charge on Motor vehicles	Repayable in 36 monthly installments commencing from Dec. 2011 and the last installment due in November 2014. Rate of Interest at 9.80% p.a.
(7) Term Loan with the outstanding balance of ₹ 638.63 lacs (March 2012 : ₹ Nil) is secured by exclusive and Specific charge on Machinerics acquired under the loan	Repayable in 48 monthly installments commencing from Dec. 2012 and the last installment due in October 2016. Rate of Interest at 8.00% p.a.
(8) Term Loan with the outstanding balance of ₹ 1691.38 lacs (March 2012 : ₹ Nil) is secured by exclusive and first charge on the specific Machinerics.	Repayable in 42 monthly installments commencing from August 2012 and the last installment due in October 2015. Rate of Interest at 13.00% p.a.
(9) Term Loan with the outstanding balance of ₹ 2519.28 lacs (March 2012 : ₹ Nil) is secured by exclusive and first charge on the specific Machinerics.	Repayable in 36 monthly installments commencing from Nov. 2012 and the last installment due in Sept. 2015. Rate of Interest at 12.60% p.a.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**
**Nature of Security and Terms of Repayment for Long Term Borrowings**

Nature of Security	Terms of Repayment
(10) Term Loan with the outstanding balance of ₹ 2541.39 lacs (March 2012 : ₹ Nil) is secured by exclusive and first charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2012 and the last installment due in Sept. 2015. Rate of Interest at 12.60% p.a.
(11) Term Loan (ECB) with the outstanding balance of ₹ 315.58 lacs (March 2012 : ₹ 946.72 lacs) is secured by exclusive and first charge on the specific Machineries.	Repayable in half yearly installments with the last installment due in July 2013. Rate of Interest at 9.65% p.a.
(12) Term Loan with the outstanding balance of ₹ 2000.00 lacs (March 2012 : ₹ 2000.00 lacs) is secured by subservient charge on the current and fixed assets.	Repayable in 24 months with the moratorium of twenty months. Rate of interest at 13.75% p.a. (Previous year 14.00% p.a.)
(13) Term Loan with the outstanding balance of ₹ 3000.00 lacs (March 2012 : ₹ Nil) is secured by first & exclusive charge on the specific immovable property with the security cover of 100% of the loan amount along with the other securities	Repayable in 60 months payable in quarterly installment with the moratorium period of 12 months from the date of 22.03.2013. Rate of interest at 13.00% p.a.
(14) Term Loan with the outstanding balance of ₹ 3091.61 lacs (March 2012 : ₹ Nil) is secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 30 months payable in quarterly installment with the moratorium period of 12 months and thereafter the quarterly repayment on phased manner. Rate of interest at 12.50% p.a. payable Monthly.

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>4. DEFERRED TAX LIABILITIES (Net)</b>		
Deferred Tax Liabilities Related to Depreciation and amortisation	22,97,90,415	20,54,61,406
Charged to Statement of Profit & Loss	1,74,09,531	2,43,29,009
	<b>24,71,99,946</b>	<b>22,97,90,415</b>
<b>5. OTHER LONG TERM LIABILITIES</b>		
a. Advance from Contractees	30,24,79,485	72,62,64,789
b. Non Current Liabilities – Trade	79,86,46,948	67,41,51,202
c. Non Current Liabilities – Others	63,93,88,809	59,58,84,479
	<b>1,74,05,15,242</b>	<b>1,99,63,00,470</b>
<b>6. SHORT TERM BORROWINGS</b>		
From Banks : *		
a. Working Capital Loans – Cash Credit Limits	39,57,06,646	47,84,19,969
b. Other Short Term Facilities	36,23,83,645	45,00,53,969
	<b>75,80,90,291</b>	<b>92,84,73,938</b>

- i. \* Working Capital Loans are secured by Hypothecation of Book 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, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>7. TRADE PAYABLES</b>		
Sundry Creditors	<b>1,13,59,28,816</b>	1,02,55,59,478
For Goods Purchased, Services Received from Professionals and Others under contracts.	<b>1,13,59,28,816</b>	1,02,55,59,478
<b>8. OTHER CURRENT LIABILITIES</b>		
a. Current Maturities of Long Term Debts - Banks	<b>29,38,43,261</b>	33,60,09,274
b. Current Maturities of Advance from Contractees	<b>42,80,23,914</b>	39,60,74,792
c. Current Maturities of Fixed Deposits	<b>15,59,29,000</b>	11,50,77,000
d. Unclaimed Dividends *	<b>7,72,148</b>	9,91,479
e. Statutory Remittances	<b>17,36,58,537</b>	9,68,32,793
f. Secured Advance from Contractees	<b>13,86,30,225</b>	13,37,94,943
g. Others	<b>16,85,46,350</b>	18,45,39,378
	<b>1,35,94,03,435</b>	1,26,33,19,659
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.		
<b>9. SHORT TERM PROVISIONS</b>		
a. Proposed Dividend	<b>1,95,30,025</b>	1,95,30,025
b. Tax on Dividend	<b>31,68,258</b>	31,68,258
	<b>2,26,98,283</b>	2,26,98,283

## 10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Addition	Deduction	As at 31.03.2013	Upto 31.03.2012	For the Year	Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets</b>										
Land	4,02,63,214	—	—	<b>4,02,63,214</b>	—	—	—	—	<b>4,02,63,214</b>	4,02,63,214
Buildings	3,64,64,803	—	—	<b>3,64,64,803</b>	95,52,902	5,94,376	—	<b>1,01,47,278</b>	<b>2,63,17,525</b>	2,69,11,901
Plant & Machinery	1,84,05,97,975	7,26,14,976	1,90,33,373	<b>1,89,41,79,578</b>	35,12,65,044	8,71,92,237	68,10,956	<b>43,16,46,325</b>	<b>1,46,25,33,253</b>	1,48,93,32,931
Furniture and Fixtures	5,88,81,310	24,10,870	—	<b>6,12,92,180</b>	2,52,89,951	33,83,379	—	<b>2,86,73,330</b>	<b>3,26,18,850</b>	3,35,91,359
Vehicles	16,34,06,319	20,26,898	1,99,98,911	<b>14,54,34,306</b>	8,16,19,964	1,55,67,744	1,37,38,489	<b>8,34,49,219</b>	<b>6,19,85,087</b>	8,17,86,355
<b>Total</b>	<b>2,13,96,13,621</b>	<b>7,70,52,744</b>	<b>3,90,32,284</b>	<b>2,17,76,34,081</b>	<b>46,77,27,861</b>	<b>10,67,37,736</b>	<b>2,05,49,445</b>	<b>55,39,16,152</b>	<b>1,62,37,17,929</b>	1,67,18,85,760
Previous Year	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
<b>Capital Work-in-Progress</b>	45,251	—	45,251	—	—	—	—	—	—	45,251

The additional charge of depreciation of ₹ 6,94,006/- (Previous Year ₹ 6,95,908/-) 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, 2013**
**11. NON CURRENT INVESTMENTS**

PARTICULARS	As at 31-03-2013		As at 31-03-2012	
	Qty. Nos.	Book value ₹	Qty. Nos.	Book value ₹
<b>LONG TERM INVESTMENTS (AT COST)</b>				
<b>A. EQUITY SHARES : UNQUOTED &amp; FULLY PAID</b>				
The Saraswat Co-op. Bank Ltd. (Face Value ₹ 10/- each)	2,500	25,000	2,500	25,000
The Janakalyan Sahakari Bank Ltd. (Face Value ₹ 10/- each)	50,000	5,00,000	50,000	5,00,000
Valecha Chambers Condominium (Face Value ₹ 100/- each)	37	3,700	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	2,68,76,200	26,87,62,000
Valecha Reality Ltd. (Face Value ₹ 10/- each)	24,950	2,49,500	24,950	2,49,500
<b>Total</b>		<b>26,97,60,200</b>		<b>26,97,58,700</b>
<b>B. INVESTMENT IN WHOLLY OWNED SUBSIDIARY COMPANIES</b>				
Valecha Infrastructure Limited (Face Value ₹ 10/- each)	50,000	5,00,000	50,000	5,00,000
Valecha International FZE - (Face Value)	1	22,17,102	1	20,80,425
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	25,500	2,55,000
Valecha Kachchh Toll Roads Ltd. (Application Money)	—	39,50,00,000	—	30,00,00,000
<b>Total</b>		<b>41,60,17,102</b>		<b>32,08,80,425</b>
<b>C. NON CONVERTIBLE DEBENTURES : QUOTED &amp; FULLY PAID</b>				
Jyoti Structures Ltd. (Face Value ₹ 120/- Per Debenture)	—	—	7,78,925	9,34,71,000
<b>Total</b>		<b>—</b>		<b>9,34,71,000</b>
<b>D. BUILDING VALECHA CHAMBERS</b>				
<b>Abstract :</b>		<b>4,49,73,441</b>		<b>4,49,73,441</b>
A. Equity Shares : Unquoted & Fully Paid		26,97,60,200		26,97,58,700
B. Investment in Wholly Owned Subsidiary Companies		41,60,17,102		32,08,80,425
C. Non Convertible Debentures : Quoted & Fully Paid		—		9,34,71,000
D. Building Valecha Chambers		4,49,73,441		4,49,73,441
<b>Grand Total</b>		<b>73,07,50,743</b>		<b>72,90,83,566</b>
<b>Market Value of Quoted Investments in Debentures</b>		<b>—</b>		<b>9,03,55,300</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
<b>12. LONG TERM LOANS &amp; ADVANCES</b>				
Security Deposit (Unsecured and considered good)		<b>83,16,068</b>		95,18,471
		<b>83,16,068</b>		95,18,471
<b>13. INVENTORIES</b>				
Closing Stock of Materials		<b>52,78,66,125</b>		44,58,20,620
		<b>52,78,66,125</b>		44,58,20,620
<b>14. TRADE RECEIVABLES</b> (Unsecured and considered Good)				
a. Exceeding Six Months		<b>44,53,37,590</b>		36,94,83,971
b. Within Six Months		<b>1,59,81,81,588</b>		1,73,80,80,456
		<b>2,04,35,19,178</b>		2,10,75,64,427
<b>15. CASH AND CASH EQUIVALENTS</b>				
a. Cash on Hand		<b>66,15,663</b>		78,19,018
b. Bank Balances				
(i) Current Accounts		<b>15,09,55,817</b>		12,14,67,651
(ii) Unclaimed Dividend Accounts		<b>7,72,148</b>		9,91,479
(iii) In Deposit Accounts (Lien against Bank Guarantees, Letter of Credits and EMD's)		<b>55,59,60,757</b>		42,01,73,848
		<b>71,43,04,385</b>		55,04,51,996
<b>16. SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured and Considered Good)				
a. Loans and Advances to Subsidiary Companies		<b>1,80,45,75,762</b>		1,56,95,26,948
b. Loans and Advances to Related Parties		<b>10,69,88,597</b>		10,02,54,077
c. Loans and Advances to Employees		<b>1,03,93,967</b>		90,94,726
d. Duties & Taxes Recoverable		<b>25,69,18,836</b>		24,59,55,336
e. Advances Recoverable in Cash or in kind or for value to be received		<b>1,22,66,73,024</b>		1,26,62,89,450
f. Deposits with Contractees		<b>67,30,50,128</b>		57,99,54,583
g. Advance Taxes Paid	<b>34,32,71,661</b>		32,95,24,624	
Less : Provisions for Income Tax	<b>22,40,78,000</b>	<b>11,91,93,661</b>	20,78,03,611	12,17,21,013
		<b>4,19,77,93,975</b>		3,89,27,96,133
<b>17. OTHER CURRENT ASSETS</b>				
Projects in Progress		<b>2,17,01,406</b>		6,33,21,733
		<b>2,17,01,406</b>		6,33,21,733

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

(Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
<b>18. REVENUE FROM OPERATIONS</b>				
Revenue from Operation		7,39,71,96,571		7,04,62,42,373
		7,39,71,96,571		7,04,62,42,373
<b>19. OTHER INCOME</b>				
(a) Interest Income		7,29,26,853		5,64,81,648
(b) Rental Income		4,63,29,136		5,36,73,441
(c) Miscellaneous Income		1,46,35,920		2,86,38,655
(d) Profit on Foreign Exchange Fluctuation		1,05,84,488		1,51,29,496
		14,44,76,397		15,39,23,240
<b>20. CONSTRUCTION EXPENSES</b>				
(a) Materials Purchase		1,41,81,90,708		1,25,96,84,087
(b) Sub-Contracting and Transportation Expenses		3,57,76,16,919		3,57,52,57,705
(c) Power and Fuel		19,34,41,746		16,41,96,164
(d) Value Added Tax, Service Tax & Labour Cess		8,52,91,456		8,23,00,411
(e) Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		56,58,05,493		48,10,34,369
(f) Insurance		2,10,96,325		2,57,90,669
(g) Site Expenses		47,17,45,821		48,00,14,597
		6,33,31,88,468		6,06,82,78,002
(h) Changes in Inventories				
Opening Stock	44,58,20,620		42,10,12,753	
Less : Closing Stock	52,78,66,125	(8,20,45,505)	44,58,20,620	(2,48,07,867)
		6,25,11,42,963		6,04,34,70,135

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>21. EMPLOYEE BENEFIT EXPENSES</b>		
(a) Salaries, Wages, Gratuity and Bonus	36,02,20,375	33,10,76,920
(b) Contribution to Provident and other funds	1,84,88,900	1,66,09,063
(c) Welfare Expenses	13,52,440	17,55,404
	<b>38,00,61,715</b>	<b>34,94,41,387</b>

### Employees' Retirement and other Benefits :

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

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

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2013.

Particulars	Amount (₹)
<b>Changes in Present value of Obligations</b>	
Present value of Obligations as at beginning of year	1,29,01,848
Interest Cost	10,32,148
Current Service Cost	13,23,393
Benefits paid	(6,98,256)
Actuarial (Gain)/Loss on Obligations	12,57,022
Present value of obligations as at end of year	1,58,16,155
<b>Changes in the fair value of plan assets</b>	
Fair value of plan assets at beginning of year	1,41,70,617
Expected return on plan assets	12,93,176
Contributions	54,624
Benefits paid	(6,98,256)
Actuarial (Gain)/Loss on Plan assets	—
Fair value of plan assets at the end of year	1,48,20,161
<b>The amounts recognized in the Balance Sheet</b>	
Present value of obligations as at the end of year	1,58,16,155
Fair value of plan assets as at the end of the year	1,48,20,161
Funded status	(9,95,994)
Liability/(Asset) recognized in balance sheet	9,95,994
<b>Expenses Recognised in Statement of Profit &amp; Loss</b>	
Current Service Cost	13,23,393
Interest Cost	10,32,148
Expected return on plan assets	(12,93,176)
Net Actuarial (Gain)/Loss recognized in the year	12,57,022
Expenses recognized in Statement of Profit & Loss	23,19,387

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>22. FINANCIAL COST</b>		
<b>Interest Expenses</b>		
(a) Banks	20,27,80,870	14,82,90,010
(b) Financial Institutions	9,13,04,400	6,72,69,638
(c) Others	8,08,70,848	6,39,56,507
	<b>37,49,56,118</b>	<b>27,95,16,155</b>
<b>23. DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
Depreciation & Amortisation	10,67,37,736	10,52,70,475
Less : Transfer from Revaluation Reserves (Refer Note No. 10)	6,94,006	6,95,908
	<b>10,60,43,730</b>	<b>10,45,74,567</b>
<b>24. OTHER EXPENSES</b>		
(a) Rates & Taxes	37,70,538	32,53,667
(b) Printing and Stationery	10,21,907	11,91,985
(c) Telephone and Postage	22,76,166	23,67,229
(d) Advertisement	2,51,515	14,43,648
(e) Travelling & Conveyance	7,94,941	7,96,339
(f) Business Promotion	24,61,418	15,04,241
(g) Electricity Charges	17,68,574	18,63,613
(h) Professional Fees	3,48,13,347	2,37,80,726
(i) Office Maintenance	83,52,758	1,18,57,208
(j) Tender Expenses	1,84,18,841	1,04,37,053
(k) Bank Charges	1,27,44,574	58,66,864
(l) Directors Remuneration	1,73,39,096	1,62,73,304
(m) Commission to Non-Executive Directors	17,50,000	17,50,000
(n) Payments to Auditor	13,17,974	13,30,218
(o) General Expenses	52,77,947	48,11,343
(p) Loss on Sale of Assets	1,16,21,396	1,08,64,032
(q) Donation	10,51,001	5,25,000
	<b>12,50,31,993</b>	<b>9,99,16,470</b>
<b>24.1 PAYMENT TO AUDITOR</b>		
Audit Fees	10,50,000	9,50,000
Certification and Other Services including Service Tax	2,67,974	3,80,218
	<b>13,17,974</b>	<b>13,30,218</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>25. EARNING PER SHARE</b>		
1. Net Profit after Tax (With Extraordinary Income)	<b>20,70,26,918</b>	22,38,27,151
Less : Extraordinary Income	—	24,09,261
2. Net Profit after Tax & Extraordinary Income	<b>20,70,26,918</b>	22,14,17,890
3. Weighted average Number of shares for Basic EPS (Numbers)	<b>1,95,30,025</b>	1,95,30,025
4. Weighted average Number of shares for Diluted EPS (Numbers)	<b>1,95,30,025</b>	1,95,30,025
5. Basic Earning Per share		
With Extraordinary Income	<b>10.60</b>	11.46
Without Extraordinary Income	<b>10.60</b>	11.34
6. Diluted Earning Per share		
With Extraordinary Income	<b>10.60</b>	11.46
Without Extraordinary Income	<b>10.60</b>	11.34
<b>26. EXPENDITURE IN FOREIGN CURRENCY</b>		
(i) C.I.F. Value of Imports		
(a) Capital Goods	<b>6,01,73,200</b>	18,42,85,466
(b) Components & Spare Parts	<b>20,83,088</b>	32,40,572
(ii) Technical & Engineering Fees	<b>24,05,593</b>	43,14,136
(iii) Travelling & Other Expenses	<b>1,26,442</b>	—

### 27. RELATED PARTY DISCLOSURES

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

Name of the Related Party	Nature of Relationship	% of Profit
<b>(A) Particulars of Subsidiary &amp; Associate Companies</b>		
1. Valecha Infrastructure Ltd.	Wholly Owned Subsidiary Company	100%
2. Valecha International FZE	Wholly Owned Subsidiary Company	100%
3. Professional Realtors Pvt. Ltd.	Wholly Owned Subsidiary Company	100%
4. Valecha 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. Valecha Reality Ltd.	Associate Company	49.90%
9. Bhubaneswar Express Ways Pvt. Ltd.	Associate Company	40%
10. Gopaldas Vasudev Construction Pvt. Ltd.	Associate Company	Nil
11. Valecha Investment Pvt. Ltd	Associate Company	Nil
<b>(B) Particulars of Joint Ventures</b>		
1. Ashoka Buildcon - VEL (Joint Venture)	Joint Venture Member	
2. Valecha - ECCI (Joint Venture)	Joint Venture Member	
3. Valecha - TBL (Joint Venture)	Joint Venture Member	
4. Valecha - SGG (Joint Venture)	Joint Venture Member	
5. Valecha - Transtonelstroy (Joint Venture)	Joint Venture Member	
6. KSSIIPL - VEL (JV)	Joint Venture Member	
7. Valecha - VKJ (JV)	Joint Venture Member	
8. Valecha - Shivalaya - Intradel (JV)	Joint Venture Member	



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

Name of the Related Party	Nature of Relationship	
<b>(C) Key Management Personnel</b>		
1. Anil Harish	Chairman	
2. Jagdish K. Valecha	Managing Director	
3. Umesh H. Valecha	Whole Time Director	
4. Dinesh H. Valecha	Whole Time Director	
5. Arvind Thakkar	Director	
6. G. Ramachandran	Director	
	(Amount in ₹)	
<b>(D) Transactions with Associate Companies</b>	<b>2012-13</b>	2011-12
1. Equity Contribution	<b>26,90,11,500</b>	26,90,11,500
2. Deposit/Loans/Repayment received during the year	<b>50,00,000</b>	9,83,650
3. Deposit/Loans given/Repaid during the year	<b>1,17,34,520</b>	77,73,990
4. Interest Received	<b>1,07,50,016</b>	93,28,020
5. Outstanding Balance - Advance Receivables	<b>10,69,88,597</b>	10,02,54,077
<b>(E) Transactions with Subsidiary Companies</b>		
1. Equity Contribution	<b>2,10,17,102</b>	2,08,80,425
2. Advance Application Money Paid	<b>39,50,00,000</b>	30,00,00,000
3. Deposit/Loans/Repayment received during the year	<b>7,05,44,041</b>	80,97,15,687
4. Deposit/Loans given/Repaid during the year	<b>30,55,92,855</b>	73,87,64,332
5. Outstanding Balance – Advance Receivable	<b>1,80,45,75,762</b>	1,56,95,26,948
<b>(F) Transactions with Joint Ventures &amp; Subsidiaries</b>		
1. Sales	<b>1,90,88,89,971</b>	2,64,05,05,704
2. Outstanding Balance – Amount Receivables	<b>20,89,50,320</b>	31,95,23,217
<b>(G) Transactions with Persons referred to in Item (C) above</b>		
1. Remuneration paid during the year	<b>1,73,39,096</b>	1,62,73,304
2. Sitting Fees	<b>55,000</b>	50,000
3. Commission	<b>17,50,000</b>	17,50,000

**28. CONTINGENT LIABILITIES**

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

- (i) Bank Guarantees and Letter of Credits outstanding amounting to ₹ 37,163.78 lacs. (Previous Year ₹ 34,769.53 lacs).
- (ii) Corporate Guarantee issued in favour of the lenders on behalf of Company's subsidiaries towards the Project Finance of the BOT/ Annuity Road Projects. Loan amount outstanding ₹ 41,310 lacs ( Previous year ₹ 28,740 lacs).

29. Since the principal business of the company is construction activity quantitative data in respect of trading and manufacturing activities carried out by the company, as required by Part II of schedule VI to the Companies Act 1956 is not applicable.
30. The Company has not received any information from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006. (The Act) and hence disclosures required under the said act have not been given. The Company is making efforts to get the confirmation from the suppliers as regards their status under the Act. However, none of the supplier has confirmed the same.
31. The previous years figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

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

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.

Date : 30th May, 2013.

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES AS ON 31.03.2013

Sr. No.	Particulars	Valecha Infrastructure Ltd.	Valecha LM Toll Pvt. Ltd.	Valecha Badwani Sindhwa 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 31.03.2013.								
(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 31.03.2013 ₹ 21.17 Lacs)	10,000
(b)	Extent of Holding in percentage terms.	100%	74%	74%	51%	100%	100%	100%
The Net Aggregate of Profits or (Losses) of the Subsidiary Company of the current financial year so far as it concern the members of the holding company.								
(a)	Dealt with or provided in the accounts of the holding company (₹)	59,40,832	(18,62,60,106)	(2,60,01,484)	Nil	Nil	Nil	(520)
(b)	Not dealt with or provided in the accounts of the holding company (₹)	Nil	(6,54,42,740)	(91,35,657)	Nil	Nil	Nil	Nil
The Net Aggregate of Profit or (Losses) of the Subsidiary Company of the previous financial year so far as it concern the members of the holding company.								
(a)	Dealt with or provided in the accounts of the holding company (₹)	81,14,487	(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

Note: Investment in Valecha International FZE 1,50,000 AED. 1 AED = INR. 14.780679 as on 31.03.2013.

**FINANCIAL INFORMATION REGARDING SUBSIDIARY COMPANIES  
FOR THE FINANCIAL YEAR 2012-13**

(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	22,17,102	1,00,000
2.	Reserves	2,91,70,933	(22,61,93,243)	(3,51,37,141)	—	—	—	(18,212)
3.	Total assets	1,67,27,94,148	2,69,81,60,439	97,98,37,449	1,94,65,25,650	77,81,420	17,16,96,134	21,37,091
4.	Total Liabilities	1,67,27,94,148	2,69,81,60,439	97,98,37,449	1,94,65,25,650	77,81,420	17,16,96,134	21,37,091
5.	Investment except in the case of investment in subsidiary	83,26,26,242	—	—	—	—	—	—
6.	Revenue from Operations	—	18,95,25,752	17,92,49,904	—	—	—	—
7.	Other Income	59,74,540	1,19,72,967	10,94,840	—	—	—	—
8.	Profit before Taxation	59,40,832	(20,16,09,185)	(1,99,82,858)	—	—	—	(520)
9.	Provision for tax - (Deferred Tax)	—	5,00,93,661	1,51,54,283	—	—	—	—
10.	Profit after Tax	59,40,832	(25,17,02,846)	(3,51,37,141)	—	—	—	(520)

Notes :

1. Please refer to consolidated financial statements and notes appearing there on.
2. Investment in Valecha International FZE 1,50,000 AED. 1 AED= INR.14.780679 as on 31.03.2013.

## INDEPENDENT AUDITORS' REPORT

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

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of VALECHA ENGINEERING LIMITED ("the Company"), and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

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

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other Auditors on the financial statements/ Consolidated financial statements of the subsidiaries, the Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated 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, 2013.

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2013		As at 31st March, 2012	
<b>I. EQUITY AND LIABILITIES :</b>					
<b>1. Shareholders' Funds :</b>					
(a) Share Capital	1	19,53,00,250		19,53,00,250	
(b) Reserves & Surplus	2	2,70,16,88,030	2,89,69,88,280	2,73,67,40,573	2,93,20,40,823
<b>2. Share Application Money Pending Allotment</b>			4,20,00,000		—
<b>3. Minority Interest</b>			(2,87,00,900)		4,58,77,497
<b>4. Non Current Liabilities :</b>					
(a) Long Term Borrowings	3	5,89,75,13,230		4,38,65,17,888	
(b) Deferred Tax Liabilities (Net)	4	31,24,60,888		22,98,03,413	
(c) Other Long Term Liabilities	5	1,59,05,15,242	7,80,04,89,360	1,54,63,00,470	6,16,26,21,771
<b>5. Current Liabilities :</b>					
(a) Short Term Borrowings	6	75,80,90,291		92,84,73,938	
(b) Trade Payables	7	1,13,32,74,485		1,02,56,07,195	
(c) Other Current Liabilities	8	1,19,56,88,483		1,08,07,05,644	
(d) Short Term Provisions	9	2,26,98,283	3,10,97,51,542	2,26,98,283	3,05,74,85,060
<b>Total</b>			13,82,05,28,282		12,19,80,25,151
<b>II. ASSETS :</b>					
<b>1. Non Current Assets :</b>					
<b>(a) Fixed Assets :</b>	10				
(i) Tangible Assets		1,62,84,21,431		1,67,34,38,628	
(ii) Intangible Assets		3,49,03,48,689		2,67,08,74,351	
(iii) Intangible Assets under Development		1,41,56,22,621		69,13,09,678	
(iv) Capital Work in Progress		13,99,23,618	6,67,43,16,359	11,55,74,510	5,15,11,97,167
<b>(b) Non Current Investments</b>	11		1,16,53,04,883		1,25,87,74,383
<b>(c) Long Term Loans &amp; Advances</b>	12		83,16,068		95,18,471
<b>2. Current Assets :</b>					
(a) Inventories	13	52,78,66,125		44,58,20,620	
(b) Trade Receivables	14	1,89,49,47,246		2,02,30,92,001	
(c) Cash and Cash Equivalents	15	90,13,42,431		69,05,58,316	
(d) Short Term Loans & Advance	16	2,62,30,39,848		2,55,57,42,460	
(e) Other Current Assets	17	2,53,95,322	5,97,25,90,972	6,33,21,733	5,77,85,35,130
<b>Total</b>			13,82,05,28,282		12,19,80,25,151
<b>Significant Accounting Policies</b>					
<b>Notes on Consolidated Financial Statements</b>	1 to 26				

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

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2013.

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2013		As at 31st March, 2012	
<b>I. INCOME</b>					
Revenue from Operations	18		7,64,34,72,227		7,10,47,40,428
Other Income	19		16,35,18,744		16,43,92,752
<b>Total Revenue</b>			<b>7,80,69,90,971</b>		<b>7,26,91,33,180</b>
<b>II. EXPENSES</b>					
Construction Expenses	20		6,34,38,02,358		6,07,16,45,002
Changes in Inventories	20		(8,20,45,505)		(2,48,07,867)
Employee Benefit Expenses	21		38,75,94,192		35,08,66,292
Financial Cost	22		65,91,52,562		36,79,59,862
Depreciation and Amortisation Expense	23		27,13,90,263		14,23,45,144
Other Expenses	24		13,83,12,388		10,30,42,815
<b>Total Expenses</b>			<b>7,71,82,06,258</b>		<b>7,01,10,51,248</b>
<b>III. PROFIT BEFORE EXTRAORDINARY ITEM &amp; TAX</b>					
			<b>8,87,84,713</b>		25,80,81,932
<b>IV. Extraordinary Item (Income)</b>			—		24,09,261
<b>V. PROFIT BEFORE TAX (III + IV)</b>					
			<b>8,87,84,713</b>		26,04,91,193
<b>VI. TAX EXPENSES</b>					
Current Tax		<b>8,00,00,000</b>		7,75,00,000	
Deferred Tax		<b>8,26,57,475</b>	<b>16,26,57,475</b>	2,43,42,007	10,18,42,007
<b>VII. PROFIT FOR THE YEAR (BEFORE ADJUSTMENT FOR MINORITY INTEREST) (V - VI)</b>					
			<b>(7,38,72,762)</b>		15,86,49,186
<b>VIII. Add : Share of Loss Transferred to Minority Interest</b>					
			<b>7,45,78,397</b>		1,90,55,504
<b>IX. PROFIT FOR THE YEAR (AFTER ADJUSTMENT FOR MINORITY INTEREST) (VII + VIII)</b>					
			<b>7,05,635</b>		17,77,04,690
<b>Significant Accounting Policies</b>					
<b>Notes on Consolidated Financial Statements</b>					
<b>Earning Per Share (in ₹)</b>					
Basic					
– With Extraordinary Income			<b>0.04</b>		9.10
– Without Extraordinary Income			<b>0.04</b>		8.98
Diluted					
– With Extraordinary Income			<b>0.04</b>		9.10
– Without Extraordinary Income			<b>0.04</b>		8.98

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

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2013.



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax and Extraordinary Items	8,87,84,713	25,80,81,932
<b>Add/(Deduct) Adjustment for :</b>		
Depreciation	27,13,90,263	14,23,45,144
Financial Cost	65,91,52,562	36,79,59,862
Dividend on Investment	(59,74,540)	(81,47,100)
Rent from Property	(4,63,29,136)	(5,36,73,441)
Miscellaneous Income	(1,46,35,920)	(2,86,38,655)
Interest Earned	(8,59,94,660)	(5,88,04,060)
Loss/(Profit) on Sale of Fixed Assets	1,16,21,396	1,08,64,032
<b>Operating Profit Before Working Capital Changes</b>	<b>87,80,14,678</b>	<b>62,99,87,714</b>
<b>Adjustment for :</b>		
Trade and Other Receivables	6,47,73,282	(1,24,34,21,437)
Inventories and Projects in Progress	(4,41,19,094)	(1,93,23,412)
Trade and other Payables	19,36,78,913	70,35,99,756
<b>Cash Generated from Operations</b>	<b>1,09,23,47,779</b>	<b>7,08,42,621</b>
Direct Taxes (Paid)	(8,27,23,511)	(8,82,22,739)
Prior year adjustments	(1,23,65,889)	(45,14,785)
<b>Net Cash Flow from Operating Activities</b>	<b>99,72,58,379</b>	<b>(2,18,94,903)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,42,99,02,906)	(3,72,98,75,536)
Proceeds from Sale of Fixed Assets	68,61,443	9,92,22,872
Changes in Capital WIP & Intangible Assets under Development	61,62,16,606	1,19,65,76,615
Proceeds from Sale of Investments	9,34,69,500	(27,11,60,739)
Dividend on Investment	59,74,540	81,47,100
Interest Earned	8,59,94,660	5,88,04,060
Profit on Sale of Investment	—	24,09,261
Rent and Miscellaneous Receipts	6,09,65,056	8,23,12,096
<b>Net Cash Flow from Investing Activities</b>	<b>(1,56,04,21,101)</b>	<b>(2,55,35,64,271)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Share Premium	—	3,65,56,000
Proceeds from Share Application Money	4,20,00,000	—
Proceeds from Minority Interest	—	3,90,88,000
Proceeds from Long Term Borrowings	1,47,02,41,329	2,52,51,93,568
Proceeds from Unsecured Borrowings	11,39,40,000	10,69,09,000
Proceeds from Short Term Borrowings	(17,03,83,647)	22,10,71,914
Financial Cost	(65,91,52,562)	(36,79,59,862)
Dividend Paid	(1,95,30,025)	(3,12,48,040)
Dividend Tax Paid	(31,68,258)	(50,69,213)
<b>Net Cash Flow from Financing Activities</b>	<b>77,39,46,837</b>	<b>2,52,45,41,367</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>21,07,84,115</b>	<b>(5,09,17,807)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>69,05,58,316</b>	<b>74,14,76,123</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>90,13,42,431</b>	<b>69,05,58,316</b>

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

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.  
Date : 30th May, 2013.

## **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, 2013**

(Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
<b>1. SHARE CAPITAL</b>				
<b>Authorised</b> 3,50,00,000 Equity Shares of ₹ 10/- each		<b>35,00,00,000</b>		35,00,00,000
<b>Issued &amp; Subscribed</b> 1,95,30,025 Equity Shares of ₹ 10/- each fully paid-up.		<b>19,53,00,250</b>		19,53,00,250
		<b>19,53,00,250</b>		19,53,00,250

(Of the above Shares 59,76,675 Shares (F.Y. 2008-09) are allotted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve).

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

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held	Amount in ₹	No. of Shares held	Amount in ₹
Equity Shares :				
Shares at the beginning of the year	<b>1,95,30,025</b>	<b>19,53,00,250</b>	1,95,30,025	19,53,00,250
Add : Shares issued during the year	—	—	—	—
Shares at the end of the year	<b>1,95,30,025</b>	<b>19,53,00,250</b>	1,95,30,025	19,53,00,250

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

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

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

Name of the Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% held	No. of Shares	% held
Valecha Investment Pvt. Ltd.	<b>78,25,000</b>	<b>40.07</b>	78,25,000	40.07

(Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
<b>2. RESERVES AND SURPLUS</b>				
<b>a. Securities Premium Account :</b>				
Balance as per last Balance Sheet	<b>91,35,96,609</b>		87,70,40,609	
Additions during the year	—	<b>91,35,96,609</b>	3,65,56,000	91,35,96,609
<b>b. Revaluation Reserve :</b>				
Balance as per last Balance Sheet	<b>80,42,872</b>		87,38,780	
Less : Transfer to Statement of Profit & Loss *	<b>6,94,006</b>	<b>73,48,866</b>	6,95,908	80,42,872
<b>c. General Reserve :</b>				
Balance as per last Balance Sheet	<b>35,89,80,873</b>		22,44,80,873	
Add : Forfeiture of Preferential Warrants	—		9,45,00,000	
Add : Transfer from surplus in Statement of Profit & Loss	<b>4,00,00,000</b>	<b>39,89,80,873</b>	4,00,00,000	35,89,80,873
<b>d. Surplus in Statement of Profit &amp; Loss :</b>				
Balance as per last Balance Sheet	<b>1,45,61,20,219</b>		1,34,56,28,597	
Add : Profit for the Year	<b>7,05,635</b>		17,77,04,690	
Less : Prior Year Adjustments for Taxes & Others	<b>1,23,65,889</b>		45,14,785	
	<b>1,44,44,59,965</b>		1,51,88,18,502	
Less : Appropriations				
Transfer to General Reserves	<b>4,00,00,000</b>		4,00,00,000	
Proposed Dividend	<b>1,95,30,025</b>		1,95,30,025	
Tax on Dividend	<b>31,68,258</b>	<b>1,38,17,61,682</b>	31,68,258	1,45,61,20,219
		<b>2,70,16,88,030</b>		2,73,67,40,573

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

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>3. LONG TERM BORROWINGS</b>		
<b>a. Secured</b>		
<b>Term Loans :</b>		
i. From Banks	4,61,50,01,350	3,35,91,57,150
ii. From Financial Institutions	84,84,56,880	66,63,93,738
<b>b. Unsecured</b>		
1. Fixed Deposits	25,09,55,000	19,28,43,000
2. Compulsory Convertible Debentures	18,31,00,000	16,81,24,000
	<b>5,89,75,13,230</b>	<b>4,38,65,17,888</b>

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

Nature of Security	Terms of Repayment
(1) Auto Loan with the outstanding balance of ₹ 29.27 lacs (March 2012 : ₹ 53.80 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from June 2011 and the last installment due in April 2014. Rate of Interest at 9.16% p.a.
(2) Auto Loan with the outstanding balance of ₹ 6.72 lacs (March 2012 : ₹ 9.71 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from April 2012 and the last installment due in February 2015. Rate of Interest at 10.90% p.a.
(3) Auto Loan with the outstanding balance of ₹ 2.61 lacs (March 2012 : ₹ 7.45 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from October 2010 and the last installment due in September 2013. Rate of Interest at 9.40% p.a.
(4) Auto Loan with the outstanding balance of ₹ 3.29 lacs (March 2012 : ₹ 6.89 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from Jan. 2011 and the last installment due in January 2014. Rate of Interest at 9.40% p.a.
(5) Auto Loan with the outstanding balance of ₹ 5.43 lacs (March 2012 : ₹ 8.39 lacs) is secured by exclusive and Specific charge on Motor vehicle	Repayable in 36 monthly installments commencing from Nov. 2011 and the last installment due in October 2014. Rate of Interest at 10.70% p.a.
(6) Auto Loan with the outstanding balance of ₹ 12.83 lacs (March 2012 : ₹ 19.38 lacs) is secured by exclusive and Specific charge on Motor vehicles	Repayable in 36 monthly installments commencing from Dec. 2011 and the last installment due in November 2014. Rate of Interest at 9.80% p.a.
(7) Term Loan with the outstanding balance of ₹ 638.63 lacs (March 2012 : ₹ Nil) is secured by exclusive and Specific charge on Machineries acquired under the loan	Repayable in 48 monthly installments commencing from Dec. 2012 and the last installment due in October 2016. Rate of Interest at 8.00% p.a.
(8) Term Loan with the outstanding balance of ₹ 1691.38 lacs (March 2012 : ₹ Nil) is secured by exclusive and first charge on the specific Machineries.	Repayable in 42 monthly installments commencing from August 2012 and the last installment due in October 2015. Rate of Interest at 13.00% p.a.
(9) Term Loan with the outstanding balance of ₹ 2519.28 lacs (March 2012 : ₹ Nil) is secured by exclusive and first charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2012 and the last installment due in Sept. 2015. Rate of Interest at 12.60% p.a.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**
**Nature of Security and Terms of Repayment for Long Term Borrowings**

Nature of Security	Terms of Repayment
(10) Term Loan with the outstanding balance of ₹ 2541.39 lacs (March 2012 : ₹ Nil) is secured by exclusive and first charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2012 and the last installment due in Sept. 2015. Rate of Interest at 12.60% p.a.
(11) Term Loan (ECB) with the outstanding balance of ₹ 315.58 lacs (March 2012 : ₹ 946.72 lacs) is secured by exclusive and first charge on the specific Machineries.	Repayable in half yearly installments with the last installment due in July 2013. Rate of Interest at 9.65% p.a.
(12) Term Loan with the outstanding balance of ₹ 2000.00 lacs (March 2012 : ₹ 2000.00 lacs) is secured by subservient charge on the current and fixed assets.	Repayable in 24 months with the moratorium of twenty months. Rate of interest at 13.75% p.a. (Previous year 14.00% p.a.)
(13) Term Loan with the outstanding balance of ₹ 3000.00 lacs (March 2012 : ₹ Nil) is secured by first & exclusive charge on the specific immovable property with the security cover of 100% of the loan amount along with the other securities	Repayable in 60 months payable in quarterly installment with the moratorium period of 12 months from the date of 22.03.2013. Rate of interest at 13.00% p.a.
(14) Term Loan with the outstanding balance of ₹ 3091.61 lacs (March 2012 : ₹ Nil) is secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 30 months payable in quarterly installment with the moratorium period of 12 months and thereafter the quarterly repayment on phased manner. Rate of interest at 12.50% p.a, payable Monthly.
(15) Term Loan in Valecha Infrastructure Limited with the outstanding balance of ₹ 1150.00 lacs (March 2012 : ₹ 2300.00 lacs) is secured by pledge of shares.	Repayable in 5 years, payable yearly on phased manner after the moratorium period of 3 years from the date of 18.02.2011. Rate of Interest at 12.82% p.a. (Previous year 12.82% p.a.)
(16) Term Loan by way of Project Finance in Valecha LM Toll Pvt. Limited with the outstanding balance of ₹ 21100.00 lacs (March 2012 : ₹ 21100.00 lacs) is secured by first mortgage charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities.	Repayable in 44 unequal quarterly installments, to commence from 31st March, 2015. Rate of Interest at 12.00% p.a. (Previous year 12.70% p.a.).
(17) Term Loan by way of Project Finance in Valecha Badwani Sendhwa Tollways Limited with the outstanding balance of ₹ 7450.00 lacs (March 2012 : ₹ 4415.00 lacs) is secured by first charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities.	Repayable in 47 unequal quarterly installments, to commence from 30th September, 2013. Rate of Interest at 11.95% p.a. (Previous year 12.40% p.a.).
(18) Term Loan by way of Project Finance in Valecha Kachchh Toll Roads Limited with the outstanding balance of ₹ 12760.00 lacs (March 2012 : ₹ 3225.00 lacs) is secured by first charge over the properties and assets along with assignment of all the revenues of the borrower from the project along with other securities.	Repayable in 39 structured quarterly installments, to commence from April, 2014. Rate of Interest at 12.50% p.a. (Previous year 12.50% p.a.).

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>4. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities Related to Depreciation and amortisation	22,98,03,413	20,54,61,406
Charged to Statement of Profit & Loss	8,26,57,475	2,43,42,007
	<b>31,24,60,888</b>	22,98,03,413
<b>5. OTHER LONG TERM LIABILITIES</b>		
(a) Advance from Contractees	15,24,79,485	27,62,64,789
(b) Non Current Liabilities – Trade	79,86,46,948	67,41,51,202
(c) Non Current Liabilities – Others	63,93,88,809	59,58,84,479
	<b>1,59,05,15,242</b>	1,54,63,00,470
<b>6. SHORT TERM BORROWINGS</b>		
From Banks : *		
(a) Working Capital Loans – Cash Credit Limits	39,57,06,646	47,84,19,969
(b) Other Short Term Facilities	36,23,83,645	45,00,53,969
	<b>75,80,90,291</b>	92,84,73,938
i. * Working Capital Loans are secured by Hypothecation of Book 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 31.03.2013	As at 31.03.2012
<b>7. TRADE PAYABLES</b>		
Sundry Creditors	1,13,32,74,485	1,02,56,07,195
For Goods Purchased, Services Received from Professionals and Others under contracts.		
	<b>1,13,32,74,485</b>	1,02,56,07,195
<b>8. OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long Term Debts – Banks	36,83,43,261	33,60,09,274
(b) Current Maturities of Advances from Contractees	14,11,80,676	21,94,53,416
(c) Current Maturities of Fixed Deposits	15,59,29,000	11,50,77,000
(d) Unclaimed Dividend *	7,72,148	9,91,479
(e) Statutory Remittances	18,01,03,570	9,68,32,793
(f) Secured Advance from Contractees	12,90,57,815	9,83,73,643
(g) Others	22,03,02,013	21,39,68,039
	<b>1,19,56,88,483</b>	1,08,07,05,644
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.		
<b>9. SHORT TERM PROVISIONS</b>		
(a) Proposed Dividend	1,95,30,025	1,95,30,025
(b) Tax on Dividend	31,68,258	31,68,258
	<b>2,26,98,283</b>	2,26,98,283



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**
**10. FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Addition	Deduction	As at 31.03.2013	Upto 31.03.2012	For the Year	Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets</b>										
Land	4,09,54,039	—	—	<b>4,09,54,039</b>	—	—	—	—	<b>4,09,54,039</b>	4,09,54,039
Buildings	3,64,64,803	—	—	<b>3,64,64,803</b>	95,52,902	5,94,376	—	<b>1,01,47,278</b>	<b>2,63,17,525</b>	2,69,11,901
Plant & Machinery	1,84,09,04,777	7,29,45,974	1,90,33,373	<b>1,89,48,17,378</b>	35,12,69,901	8,72,22,318	68,10,956	<b>43,16,81,263</b>	<b>1,46,31,36,115</b>	1,48,96,34,876
Furniture and Fixtures	5,91,78,323	52,04,538	—	<b>6,43,82,861</b>	2,52,95,995	35,90,973	—	<b>2,88,86,968</b>	<b>3,54,95,893</b>	3,38,82,328
Vehicles	16,36,84,249	23,28,611	1,99,98,911	<b>14,60,13,949</b>	8,16,28,765	1,56,05,814	1,37,38,489	<b>8,34,96,090</b>	<b>6,25,17,859</b>	8,20,55,484
<b>Total</b>	2,14,11,86,191	8,04,79,123	3,90,32,284	<b>2,18,26,33,030</b>	46,77,47,563	10,70,13,481	2,05,49,445	<b>55,42,11,599</b>	<b>1,62,84,21,431</b>	1,67,34,38,628
Previous Year	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
<b>Capital Work-in-Progress</b>	11,55,74,510	2,43,94,359	45,251	<b>13,99,23,618</b>	—	—	—	—	<b>13,99,23,618</b>	11,55,74,510

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Addition	Deduction	As at 31.03.2013	Upto 31.03.2012	For the Year	Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Intangible Assets</b>										
Concessionaire Right	2,70,86,25,225	98,45,45,126	—	<b>3,69,31,70,351</b>	3,77,50,874	16,50,70,788	—	<b>20,28,21,662</b>	<b>3,49,03,48,689</b>	2,67,08,74,351
<b>Total</b>	2,70,86,25,225	98,45,45,126	—	<b>3,69,31,70,351</b>	3,77,50,874	16,50,70,788	—	<b>20,28,21,662</b>	<b>3,49,03,48,689</b>	2,67,08,74,351
<b>Intangible Assets under Development</b>	69,13,09,678	1,36,48,78,657	64,05,65,714	<b>1,41,56,22,621</b>	—	—	—	—	<b>1,41,56,22,621</b>	69,13,09,678
<b>Total</b>	69,13,09,678	1,36,48,78,657	64,05,65,714	<b>1,41,56,22,621</b>	—	—	—	—	<b>1,41,56,22,621</b>	69,13,09,678

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

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

### 11. NON CURRENT INVESTMENT

PARTICULARS	As at 31.03.2013		As at 31.03.2012	
	Qty. Nos.	Book value ₹	Qty. Nos.	Book value ₹
<b>LONG TERM INVESTMENTS (AT COST)</b>				
<b>TRADE INVESTMENTS</b>				
<b>A. EQUITY SHARES : QUOTED &amp; FULLY PAID</b>				
Jyoti Structures Ltd. (Face Value ₹ 2/- Per Share)	54,31,400	83,26,26,242	54,31,400	83,26,26,242
<b>Total</b>		83,26,26,242		83,26,26,242
<b>EQUITY SHARES : UNQUOTED &amp; FULLY PAID</b>				
The Saraswat Co-op. Bank Ltd. (Face Value ₹ 10/- each)	2,500	25,000	2,500	25,000
The Janakalyan Sahakari Bank Ltd. (Face Value ₹ 10/- each)	50,000	5,00,000	50,000	5,00,000
Valecha Chambers Condominium (Face Value ₹ 100/- each)	37	3,700	22	2,200
Varun Cements Ltd. (Face Value ₹ 10/- each)	42,800	2,20,000	42,800	2,20,000
Bhubaneshwar Express Ways Pvt. Ltd. (Face Value ₹ 10/- each)	2,68,76,200	26,87,62,000	2,68,76,200	26,87,62,000
Valecha Reality Ltd. (Face Value ₹ 10/- each)	24,950	2,49,500	24,950	2,49,500
<b>Total</b>		26,97,60,200		26,97,58,700
<b>B. INVESTMENT IN WHOLLY OWNED SUBSIDIARY COMPANY</b>				
Professional Realtors Pvt. Ltd. (Face Value ₹ 10/- each)	10,000	1,79,45,000	10,000	1,79,45,000
<b>Total</b>		1,79,45,000		1,79,45,000
<b>C. NON CONVERTIBLE DEBENTURES : QUOTED &amp; FULLY PAID</b>				
Jyoti Structures Ltd. (Face Value ₹ 120/- Per Debenture)	—	—	7,78,925	9,34,71,000
<b>Total</b>		—		9,34,71,000
<b>D. BUILDING VALECHA CHAMBERS</b>		4,49,73,441		4,49,73,441
<b>Abstract :</b>				
A. Equity Shares : Quoted & Fully Paid		83,26,26,242		83,26,26,242
Equity Shares : Unquoted & Fully Paid		26,97,60,200		26,97,58,700
B. Investment in Wholly Owned Subsidiary Company		1,79,45,000		1,79,45,000
C. Non Convertible Debentures : Quoted & Fully Paid		—		9,34,71,000
D. Building Valecha Chambers		4,49,73,441		4,49,73,441
<b>Grand Total</b>		1,16,53,04,883		1,25,87,74,383
<b>Market Value of Quoted Investments in Shares &amp; Debentures</b>		14,66,47,800		30,16,36,760

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

(Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
<b>12. LONG TERM LOANS &amp; ADVANCES</b>				
Security Deposit (Unsecured and Considered Good)		<b>83,16,068</b>		95,18,471
		<b>83,16,068</b>		95,18,471
<b>13. INVENTORIES</b>				
Closing Stock of Materials		<b>52,78,66,125</b>		44,58,20,620
		<b>52,78,66,125</b>		44,58,20,620
<b>14. TRADE RECEIVABLES</b> (Unsecured and Considered Good)				
(a) Exceeding Six Months		<b>44,53,37,590</b>		36,94,83,971
(b) Within Six Months		<b>1,44,96,09,656</b>		1,65,36,08,030
		<b>1,89,49,47,246</b>		2,02,30,92,001
<b>15. CASH AND CASH EQUIVALENTS</b>				
1. Cash on Hand		<b>84,09,520</b>		83,92,905
2. Bank Balances				
(i) Current Accounts		<b>15,09,94,462</b>		12,80,11,856
(ii) Unclaimed Dividend Accounts		<b>7,72,148</b>		9,91,479
(iii) Escrow Accounts		<b>2,97,58,685</b>		1,00,70,168
(iv) In Deposit Accounts (Lien against Bank Guarantees, Letter of Credits and EMD's)		<b>71,14,07,616</b>		54,30,91,908
		<b>90,13,42,431</b>		69,05,58,316
<b>16. SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured and Considered Good)				
(a) Loans and Advances to Related Parties		<b>17,20,88,597</b>		17,28,54,077
(b) Loans and Advances to Employees		<b>1,04,41,034</b>		90,95,726
(c) Duties & Taxes Recoverable		<b>25,69,18,836</b>		24,63,23,594
(d) Advances Recoverable in Cash or in kind or for value to be received		<b>1,38,12,26,082</b>		1,41,92,03,464
(e) Deposits with Contractees		<b>67,79,20,775</b>		58,65,44,586
(f) Advance Income Tax Paid	<b>34,85,22,524</b>		32,95,24,624	
Less : Provisions for Income Tax	<b>22,40,78,000</b>	<b>12,44,44,524</b>	20,78,03,611	12,17,21,013
		<b>2,62,30,39,848</b>		2,55,57,42,460
<b>17. OTHER CURRENT ASSETS</b>				
Projects in Progress		<b>2,53,95,322</b>		6,33,21,733
		<b>2,53,95,322</b>		6,33,21,733

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
<b>18. REVENUE FROM OPERATIONS</b>				
Revenue from Operation		7,27,46,96,571		7,04,62,42,373
Revenue from Toll Collection		36,87,75,656		5,84,98,055
		<b>7,64,34,72,227</b>		<b>7,10,47,40,428</b>
<b>19. OTHER INCOME</b>				
(a) Interest Income		8,59,94,660		5,88,04,060
(b) Rental Income		4,63,29,136		5,36,73,441
(c) Dividend: From Long term Investments		59,74,540		81,47,100
(d) Miscellaneous Income		1,46,35,920		2,86,38,655
(e) Profit on Foreign Exchange Fluctuation		1,05,84,488		1,51,29,496
		<b>16,35,18,744</b>		<b>16,43,92,752</b>
<b>20. CONSTRUCTION EXPENSES</b>				
(a) Materials Purchase		1,41,81,90,708		1,25,96,84,087
(b) Sub-Contracting and Transportation Expenses		3,57,76,16,919		3,57,52,57,705
(c) Power and Fuel		19,34,41,746		16,41,96,164
(d) Value Added Tax, Service Tax & Labour Cess		8,52,91,456		8,23,00,411
(e) Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		56,58,05,493		48,10,34,369
(f) Insurance		2,10,96,325		2,57,90,669
(g) Site Expenses		48,23,59,711		48,33,81,597
		<b>6,34,38,02,358</b>		<b>6,07,16,45,002</b>
(h) Changes in Inventories				
Opening Stock	44,58,20,620		42,10,12,753	
Less : Closing Stock	52,78,66,125	(8,20,45,505)	44,58,20,620	(2,48,07,867)
		<b>6,26,17,56,853</b>		<b>6,04,68,37,135</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>21. EMPLOYEE BENEFIT EXPENSES</b>		
(a) Salaries, Wages, Gratuity and Bonus	36,70,31,273	33,25,01,825
(b) Contribution to Provident and other funds	1,89,85,578	1,66,09,063
(c) Welfare Expenses	15,77,341	17,55,404
	<b>38,75,94,192</b>	<b>35,08,66,292</b>

**Employees' Retirement and other Benefits :**

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

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

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2013.

Particulars	Amount (₹)
<b>Changes in Present value of Obligations</b>	
Present value of Obligations as at beginning of year	1,29,01,848
Interest Cost	10,32,148
Current Service Cost	13,23,393
Benefits paid	(6,98,256)
Actuarial (Gain)/Loss on Obligations	12,57,022
Present value of obligations as at end of year	1,58,16,155
<b>Changes in the fair value of plan assets</b>	
Fair value of plan assets at beginning of year	1,41,70,617
Expected return on plan assets	12,93,176
Contributions	54,624
Benefits paid	(6,98,256)
Actuarial (Gain)/Loss on Plan assets	—
Fair value of plan assets at the end of year	1,48,20,161
<b>The amounts recognized in the Balance Sheet</b>	
Present value of obligations as at the end of year	1,58,16,155
Fair value of plan assets as at the end of the year	1,48,20,161
Funded status	(9,95,994)
Liability/(Assets) recognized in Balance Sheet	9,95,994
<b>Expenses Recognised in Statement of Profit &amp; Loss</b>	
Current Service Cost	13,23,393
Interest Cost	10,32,148
Expected return on plan assets	(12,93,176)
Net Actuarial (Gain)/Loss recognized in the year	12,57,022
Expenses recognized in Statement of Profit & Loss	23,19,387

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>22. FINANCIAL COST</b>		
<b>Interest Expenses</b>		
(a) Banks	48,69,77,314	23,67,33,716
(b) Financial Institutions	9,13,04,400	6,72,69,639
(c) Others	8,08,70,848	6,39,56,507
	<b>65,91,52,562</b>	<b>36,79,59,862</b>
<b>23. DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
Depreciation & Amortisation	27,20,84,269	14,30,41,052
Less : Transfer from Revaluation Reserves (Refer Note No. 10)	6,94,006	6,95,908
	<b>27,13,90,263</b>	<b>14,23,45,144</b>
<b>24. OTHER EXPENSES</b>		
(a) Rates and Taxes	40,62,391	32,78,203
(b) Printing and Stationery	11,91,384	12,44,349
(c) Telephone and Postage	23,43,981	23,73,231
(d) Advertisement	2,51,515	14,43,648
(e) Traveling and Conveyance	10,81,090	9,55,637
(f) Business Promotion	25,09,589	15,91,521
(g) Electricity Charges	41,80,636	18,63,613
(h) Professional Fees	3,80,24,783	2,43,25,024
(i) Office Maintenance	83,52,758	1,18,57,208
(j) Tender Expenses	1,84,18,841	1,04,37,053
(k) Bank Charges	1,27,44,574	58,66,864
(l) Directors Remuneration	1,73,39,096	1,62,73,304
(m) Commission to Non-Executive Directors	17,50,000	17,50,000
(n) Payments to Auditor	15,87,638	14,98,758
(o) General Expenses	1,18,01,715	68,95,370
(p) Loss on Sale of Assets	1,16,21,396	1,08,64,032
(q) Donation	10,51,001	5,25,000
	<b>13,83,12,388</b>	<b>10,30,42,815</b>
<b>24.1 PAYMENT TO AUDITORS</b>		
Audit Fees	12,90,000	11,95,000
Certification and Other Services including Service Tax	2,97,638	3,03,758
	<b>15,87,638</b>	<b>14,98,758</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
<b>25. EARNING PER SHARE</b>		
1. Net Profit after Tax (With Extraordinary Income)	<b>7,05,635</b>	17,77,04,690
Less : Extraordinary Income	—	24,09,261
2. Net Profit after Tax & Extraordinary Income	<b>7,05,635</b>	17,52,95,429
3. Weighted average Number of shares for Basic EPS (Numbers)	<b>1,95,30,025</b>	1,95,30,025
4. Weighted average Number of shares for Diluted EPS (Numbers)	<b>1,95,30,025</b>	1,95,30,025
5. Basic Earning Per share		
With Extraordinary Income	<b>0.04</b>	9.10
Without Extraordinary Income	<b>0.04</b>	8.98
6. Diluted Earning Per share		
With Extraordinary Income	<b>0.04</b>	9.10
Without Extraordinary Income	<b>0.04</b>	8.98

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

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

For and on behalf of the Board

**Dilip M. Jani**  
Proprietor

**Kavita Valecha Sharma**  
Company Secretary

**Anil Harish**  
Chairman

**Jagdish K. Valecha**  
Managing Director

Place : Mumbai.

Date : 30th May, 2013.



# 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 .....  
of .....being 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 Sixth Annual General Meeting of the Company to be held on Thursday, the 26th September, 2013 at 4-00 p.m. at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai -400 018 and at any adjournment thereof.

Signed this .....day of .....2013 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 -

TEAR HERE



VALECHA  
REDEFINING INFRASTRUCTURE

# 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)

**36th Annual General Meeting — 26th September, 2013**

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

I hereby record my presence at the Thirty Sixth Annual General Meeting to be held on Thursday, the 26th September, 2013 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 .....



NH-153 -Lalpool, Manmao,  
Changlang Road- Arunachal Pradesh



NH-52B -Lalpool, Manmao, Changlang Road- Arunachal Pradesh



Ghodbundar Flyover at Patlipada, Thane



Etawah Mainpuri Kurawali Road Project at UP





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



FORM – A

1.	<b>Name of The Company</b>	<b>VALECHA ENGINEERING LIMITED</b>
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	N.A.
5.	Signed by : • Mr. Jagdish K. Valecha Managing Director	
	• Mr. K. S. Shetty Chief Financial Officer	
	• M/s. D. M. Jani & Company Auditor of the Company	 
	• Mr. G. Ramachandran Audit Committee Chairman	