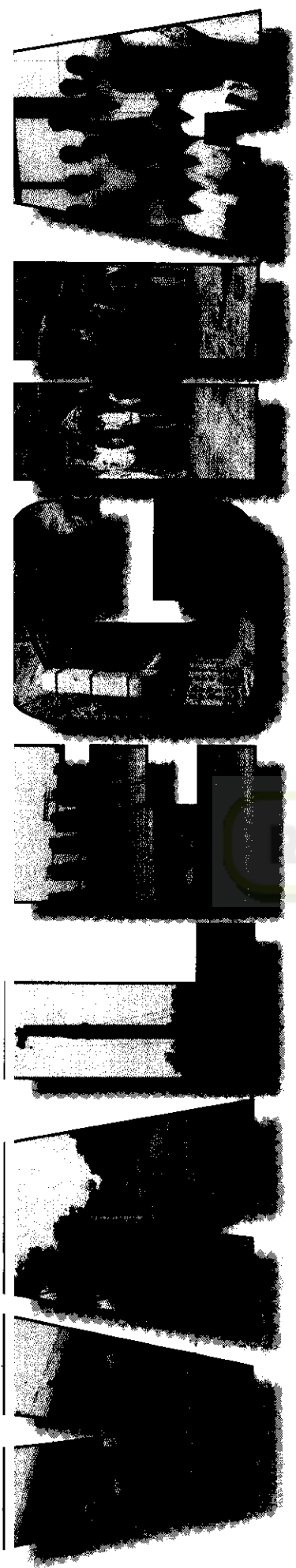


ANNUAL REPORT 1998-99



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VALECHA

Engineers & contractors

VALECHA ENGINEERING LIMITED

MISSION STATEMENT

“A dedicated Professional
team building cost effective quality
infrastructure on time.

Building Assets
For the People - for the Nation”

VALECHA



Engineers & Contractors

VALECHA ENGINEERING LIMITED

VALECHA ENGINEERING LIMITED**Board of Directors**

V. P. Valecha — *Chairman*
 J. K. Valecha — *Managing Director*
 R. H. Valecha — *Whole Time Director*
 M. L. Valecha — *Whole Time Director*
 K. R. Thakur
 Anil Harish
 Alka Bharucha

Company Secretary

Kavita V. Valecha

Auditors

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

Bankers

State Bank of India
 Canara Bank
 Saraswat Co-operative Bank Ltd.

Registrars and Transfer Agents

Nucleus Shares Custodian Services Ltd.
 "Arambha", Saki Vihar Road,
 Opp. L & T Gate No. 7,
 Powai, Andheri (East), Mumbai-400 072.
 Tel : 8500334 Fax : 8508352

Registered Office

"Valecha Chambers", 4th Floor,
 Plot No. B-6, Andheri New Link Road,
 Andheri (West), Mumbai-400 053.
 Tel : 639 3335/39/42/58/59 Fax : 6338001
 E-mail: valeng@bom3.vsnl.net.in

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Notice

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of VALECHA ENGINEERING LIMITED will be held on Monday, the 20th September, 1999 at 4.00 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubhash Marg, Mumbai-400 001, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 1999, the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anil Harish who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Alka Bharucha who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, the Articles of Association of the Company be and are hereby amended in the following manner:

- (I) In the existing Article 4(i) the following sub-clauses shall be inserted after sub-clause 4(i):
 - (j) **"Beneficial Owner"** "Beneficial Owner" shall mean and include 'a person or persons' as defined in Clause (a) sub-section (1) of Section 2 of the Depositories Act, 1996.
 - (k) **"Bye-Laws"** "Bye-laws" means bye-laws made under Section 26 of the Depositories Act, 1996.
 - (l) **"Depositories Act"** "Depositories Act" shall mean and include the Depositories Act, 1996 and any statutory modifications or re-enactments thereof from time to time.

(m) **"Depository"** "Depository" means a Depository as defined under Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

(n) **"Securities and Exchange Board of India"** "Securities and Exchange Board of India (SEBI)" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

(o) **"Security"** "Security" means shares, debentures and/or such other securities as may be specified under the Companies Act, 1956 or by SEBI or other competent authority, from time to time.

(p) **"Member"** "Member" means the duly registered holder from time to time of the shares of the Company and includes subscribers of the Memorandum of the Company and person(s) whose name(s) is/are entered as beneficial owner in the records of the Depository.

(q) **"Register of Members"** "Register of Members" means the Register of Members to be kept pursuant to the Companies Act, 1956 and the Register and Index of beneficial owners maintained by the Depository under the Depositories Act, 1996."

(II) The following Article shall be inserted after existing Article 4(ii):

"(iii) Words and expressions used and not defined in the Act and in the Articles of Association of the Company, but defined in the Depositories Act, 1996, shall have the same meaning respectively assigned to them in the Depositories Act, 1996 as amended from time to time."

(III) The following new Article shall be inserted after Article 6:

"6A. Notwithstanding anything contained in these Articles, the Company may modify the nominal value/denomination of its equity shares, issued or proposed to be issued in multiples of one Rupee or as the law permits. Such modification may be effected by splitting or consolidating existing shares as also by issuing shares with the new denomination."

- (IV) Article 14(i) be and is hereby substituted to read as under :

"14(i) Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion, on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act. Notwithstanding anything contained in the Act or these Articles, the Board of Directors are empowered without any prior sanction of the members to dematerialise and rematerialise securities of the company and issue/allot fresh securities in dematerialised form. The Board of Directors is also empowered to determine the terms and conditions thereof pursuant to the provisions of the Depositories Act, 1996 and rules framed thereunder."

- (V) In the Article 14, the following new sub-clauses shall be inserted after sub clause 14(ii):

"(iii) The Company shall be entitled to purchase its own securities or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77A and other applicable provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and any amendments, modification, re-promulgation or re-enactment thereof.

(iv) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its securities, rematerialise its securities held in the depositories and/or to offer its fresh securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(v) Every person subscribing to the securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who

is the beneficial owner of the securities can at any time opt out of a depository if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

(vi) All securities held by a depository shall be dematerialised and be in fungible form.

(vii) Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372/372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners."

- (VI) The following new Article be inserted after Article 25:

"25A Nothing contained in Section 108 of the Act or the Articles which are inconsistent with the provisions of Depositories Act, 1996 shall apply to a transfer of shares effected by a transferor or transferee both of whom are entered as beneficial owners in the records of a depository."

- (VII) Article 27 be and is hereby substituted to read as under :

"27 In the event a nomination as required by Article 27A and Sections 109A and 109B of the Act has not been filed by the holder(s) of a share/debenture with the Company, then on the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was sole holder shall be the only persons whom the Company may recognise as having any title to or interest in the shares."

- (VIII) The following Article shall be inserted after the Article 27:

"27A Every holder of shares in or debentures of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death. Such nomination and right of nominee to be registered as holder of shares/debentures as the case may be or for transfer of the shares/debentures as the case may be shall be governed by the provisions of Sections 109A and 109B and other applicable provisions of the Companies Act, 1956."

- (IX) The following new Article be inserted after Article 30:

"30A Notwithstanding anything contained in these Articles, in the case of transfer or

transmission of securities where the Company has not issued any certificates and where such securities are being held in an electronic and fungible form by a Depository, the provisions of the Depositories Act, 1996 shall apply."

- (X) The Article 137 be and is hereby substituted to read as under :

137 (1). Save and except so far as the provisions of this Article shall be avoided by Section 201 of the Act, then Directors, Managing Director or Wholtime Directors, Managers, Secretary and other officers or servants for the time being of the Company, and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone acting in relation to any of the affairs of the Company and everyone of them and everyone of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses, which they or any of them, or any of their executors or administrators shall or may incur or sustain by or by reason of any contract entered into or any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their own, respective offices or trust except such (if any) as they shall incur or sustain through or by their own wilful neglect or default respectively, and none of them shall be answerable for the act, receipts, neglects or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any monies or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any monies of or belonging to the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto except the same shall happen by or through their own wilful neglect or default respectively.

(2). Subject as aforesaid every Director, Managing Director, Manager, Secretary or other Officer or employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which

judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

7. To Consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Section 81, 81(1A) and any other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Regulation Act 1973 (FERA), the Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to approval of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and such other approvals, permissions and sanctions as may be required under applicable laws, rules and regulations and subject further to such terms, conditions, alterations, modifications, changes and variations, if any, that may be specified under any such approvals, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board"), be and is hereby authorised to accept, consent of the Company be and is hereby accorded to the Board, and the Board is hereby authorised to issue, offer and allot Equity Shares of an aggregate value of Rs. 5 crores or its equivalent in foreign currency (inclusive of such premium as may be fixed on the Equity Shares), on Rights basis, to the Members and/or to such persons, whether shareholders of the Company or not, including but not limited to promoters/directors, their friends, relatives and associates, Foreign Institutional Investors (FIIs), Mutual Funds, Non-Resident Indians or persons of Indian origin (NRIs) Overseas Corporate Bodies (OCBs) predominantly owned by NRIs (as may be permitted under applicable regulations) and/or such other person/s, entity/ies, body/ies as may be decided by the Board through Public Issue and/or by way of Private placement and/or by way of a Preferential Offer to take place within such time and at such premium and on such terms as may be permitted in accordance with the prevailing rules/guidelines in this regard and on such other terms as the Board may deem necessary and at such time as the Board may in their absolute discretion think fit.

RESOLVED FURTHER THAT if any portion of Equity Shares offered on Rights basis remains unsubscribed, the Board be and is hereby authorised to dispose of the same to such person(s) and in such manner, that the Board may decide in its absolute discretion, as it

may consider in the best interest of the Company whether such person(s) are shareholders of the Company or not.

RESOLVED FURTHER THAT an Equity Shareholder, eligible to the Rights Offer, will be free to renounce his entitlement of Equity Shares wholly or in part in favour of any other person(s).

RESOLVED FURTHER THAT an Equity Shareholder, eligible to the Rights Offer, will also be eligible to apply for additional Equity Shares over and above his entitlement provided he has applied for all the Equity Shares offered to him without renouncing them in whole or in part in favour of any person(s).

RESOLVED FURTHER THAT the allotment of Equity Shares to Non-resident Shareholders will be subject to the sanction of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973.

RESOLVED FURTHER THAT the new Equity Shares to be allotted shall rank *pari passu* in all respects with the then existing Equity Shares of the Company, save and except for the dividend which will be paid *pro-rata* from the date of allotment.

RESOLVED FURTHER THAT the Equity Shares to be so allotted shall be listed on The Over The Counter Exchange of India or on any other Stock Exchange as the Board may deem fit where the company's existing shares are listed.

RESOLVED FURTHER THAT the Equity Shares to be allotted shall be transferable and transmittable in the same manner and to the same extent and subject to the same restrictions and limitations as in the case of existing Equity Shares of the Company and the provisions relating to the transfer and transmission in respect of Equity Shares in the Articles of Association of the Company shall apply *mutatis mutandis* to these Equity Shares.

RESOLVED FURTHER THAT the rights, privileges and conditions attached to the Equity Shares may be varied, modified or abrogated with the consent of the holders of the Equity Shares by Special Resolution(s) passed at separate meeting(s) of the holders of the Equity Shares from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to all or any of the foregoing, the Board be and is hereby authorised *inter-alia* and from time to time to finalise and prescribe the form of Letter of offer and Form(s) of Application, to determine the amount payable on application, allotment and by way of further calls, if any, in respect of the Equity

Shares, to determine the allotment, if necessary, in consultation with the Over The Counter Exchange of India and to appoint Lead Managers, Managers, Consultants, Advisers, Bankers, Agents for the purpose and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions and the size of the present issue as required or suggested by SEBI, Lead Managers, Banks, Financial/Investment Institutions or such other authorities or agencies concerned or as the Board may decide in its absolute discretion (including the price of the Equity Shares to be issued or the ratio or number of Equity Shares to be offered which may result in a change in the total amount of the present issue) in the best interest of the Company without requiring any further approval of the members and to do all such acts, deeds, matters or things whatsoever, including settling any question, doubt or difficulty that may arise with regard to or in relation to raising of resources as authorised herein, issue or allotment of Equity Shares, as it may, in its absolute discretion consider necessary, expedient, usual or proper in or about the premises and that all or any of the powers conferred on the Board by or pursuant to this resolution may be exercised by the Board or such Committee thereof as the Board may constitute in this behalf."

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 time of the meeting.

- (B) The Register of Members and Share Transfer Books of the Company will remain closed from 10/9/99 to 20/9/99 both days inclusive.
- (C) The explanatory statement as required under section 173(2) of the Companies Act, 1956, in relation to the Special Business of the meeting is annexed hereto.
- (D) Pursuant to Section 205 A(5) of the Companies Act, 1956, all unclaimed/unpaid dividend upto and including the financial year ended 31st March, 1995 have been transferred to the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Hakoba Mills Compound, Dattaram Lad Marg, Kalachowki, Parel, Mumbai-400 033.

VALECHA

PUNJIBHAI & CO. LTD.

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As per the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, as amended, the dividend and application money received by companies for allotment of any securities and due for refund which remains unclaimed/unpaid for seven years from the date they became due for payment shall be transferred to the 'Investor Education and Protection Fund' established by the Central Government, by the Company and no claims shall lie against the said Fund or the Company in respect of such individual dividend amounts transferred to said Fund.

- (E) The Dividend on shares as may be declared at the meeting, will be payable on or after 25th October, 1999 to those shareholders whose names appear in the Register of Members as on 20/9/99.
- (F) Shareholders are requested to promptly notify any changes in their address and other mandates to the Company quoting their Folio No. in all correspondence.
- (G) Any member requiring further information on Accounts at the meeting is requested to send queries in writing to the Company's Registered Office so as to reach on or before 10/9/99.

(H) Share holders are requested to make a note of change in the address of the Company to "Valecha Chambers", 4th Floor, Plot No. B-6, Andheri New Link Road, Andheri (West), Mumbai-400 053.

(I) As the system of counter receipts has been shifted to share certificates, Share holder who have not collected their share certificates in lieu of their counter receipts, are requested to collect their share certificates at the earliest from our registrars "Nucleus Share Custodian Services Limited", 'Nucleus House', Opp. Larsen & Toubro, Gate No. 7, Saki Vihar Road, Andheri (East), Mumbai-400 072.

By order of the Board

Mumbai
30th July, 1999.

Kavita V. Valecha
Company Secretary

Registered Office :

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


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