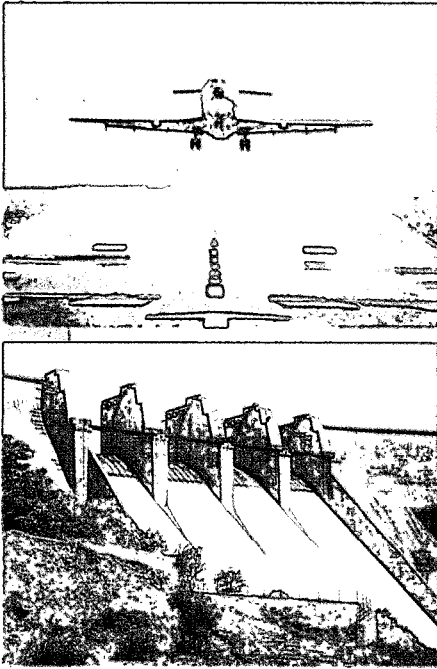
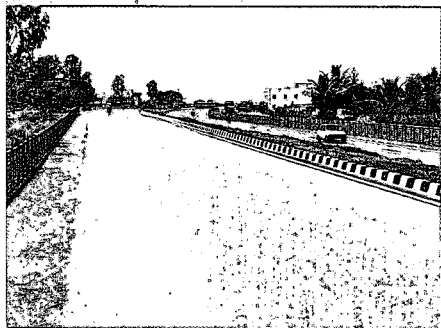
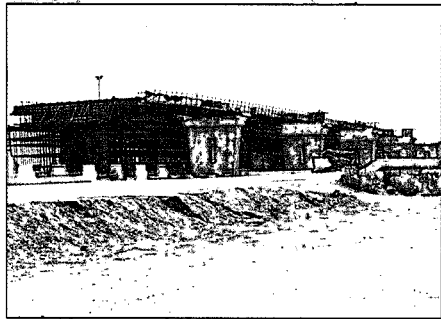
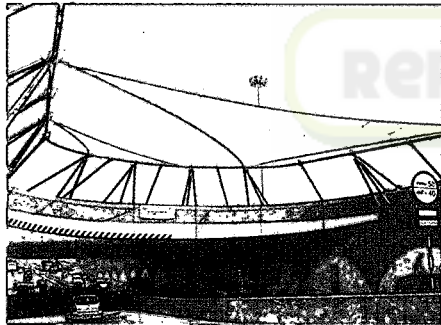


VALECHA

Engineers & Contractors



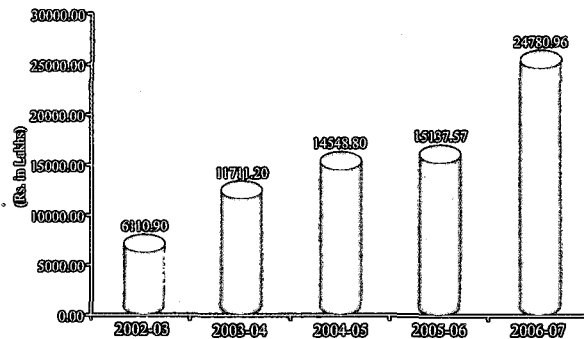
VALECHA ENGINEERING LIMITED



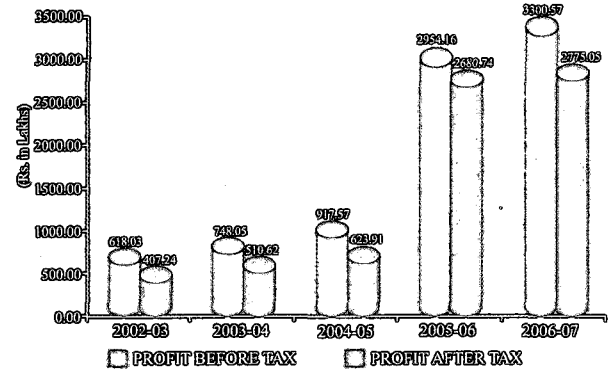
ANNUAL REPORT 2006-07

Building asset for the people for the nation

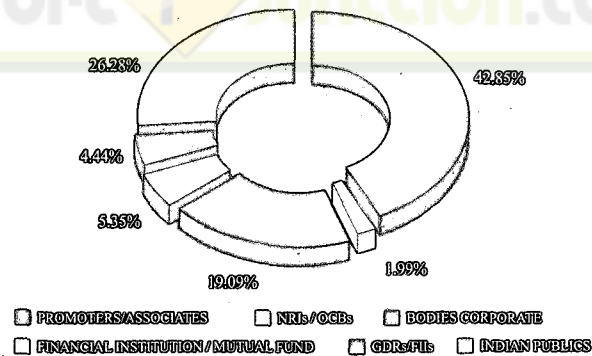
TURNOVER



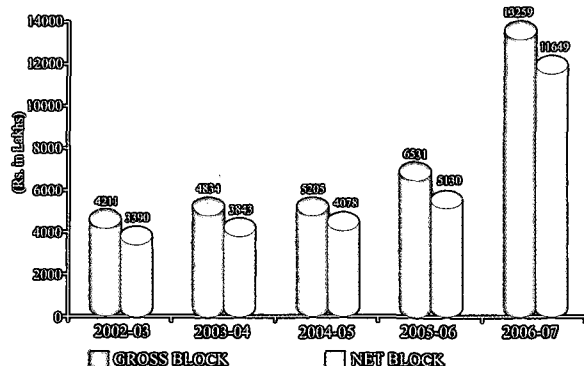
PROFIT BEFORE TAX & AFTER TAX



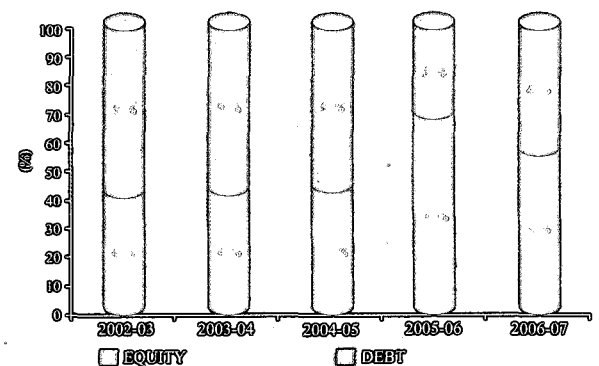
SHAREHOLDING PATTERN AS AT MARCH 31, 2007



FIXED ASSETS



NET GEARING



VALECHA

Engineers & Contractors

VALECHA ENGINEERING LIMITED**Board of Directors**

| | |
|----------------------|-----------------------|
| V. P. Valecha | — Chairman |
| J. K. Valecha | — Managing Director |
| R. H. Valecha | — Whole-time Director |
| D. H. Valecha | — Whole-time Director |
| U. H. Valecha | — Whole-time Director |
| A. B. Gogate | — Whole-time Director |
| Anil Harish | |
| G. Ramachandran | |
| I. Syam Prasad Reddy | |
| Arvind Thakkar | |

Company Secretary

Kavita Valecha Sharma

Auditors:M/s. D. M. Jani & Co.
Chartered Accountants**Consortium Bankers:**State Bank of India
Canara Bank
UTI Bank Ltd.**Solicitors:**M/s. Luthra & Luthra
M/s. Kirit Damania & Co.**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", 7th Floor,
Plot No. B-6, Andheri New Link Road,
Andheri (West), Mumbai-400 053.
Tel. : 2673 3625, 2673 3238
Fax : 2673 3945
E-mail: valeng@bom3.vsnl.net.in
website: www.valechaeng.com**Management Team**

| | |
|---------------|--|
| J. K. Valecha | — Managing Director |
| R. H. Valecha | — Whole-time Director |
| D. H. Valecha | — Whole-time Director |
| U. H. Valecha | — Whole-time Director |
| A. B. Gogate | — Whole-time Director |
| S. B. Watve | — Sr. Vice President (Projects) |
| P. H. Valecha | — Senior Executive |
| K. S. Shetty | — Vice President (Accounts & Finance) |
| C. K. Chhatre | — General Manager (Tendering, Business Development and Contracts.) |

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NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Monday, the 3rd September, 2007 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 Balance Sheet as at 31st March, 2007, and the Audited 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. Dinesh H. Valecha who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Umesh H. Valecha who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Mr. Arvind B. Gogate who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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, 316 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 all guidelines for managerial remuneration issued by the central government from time to time, and the Articles of Association of the Company, and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Jagdish K. Valecha as Managing Director, for a period of two years w.e.f. 11th June, 2007, upon terms and conditions as set out in the Explanatory Statement annexed hereto, with the authority to the Board of Directors of the Company (“the Board”) and the Remuneration Committee (“the Committee”) 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 in the event of absence or inadequacy of profit in any financial year, the remuneration payable to Mr. Jagdish K. Valecha shall be governed by Schedule XIII of the Act or any modification(s) thereto.

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 all guidelines for managerial remuneration issued by the central government from time to time, and the Articles of Association of the Company, and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Ramchand H. Valecha as the Whole-time Director, for a period of two years w.e.f. 1st July, 2007, upon terms and conditions as set out in the Explanatory Statement annexed hereto, with the authority to the Board of Directors of the Company (the “Board”) and the Remuneration Committee (the “Committee”) 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. Ramchand 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 in the event of absence or inadequacy of profit in any financial year, the remuneration payable to Mr. Ramchand H. Valecha shall be governed by Schedule XIII of the Act or any modification(s) thereto.

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 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 all guidelines for managerial remuneration issued by the Central Government from time to time, and the Articles of Association of the Company, and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Dinesh H. Valecha as the Whole-time Director, for a period of two years w.e.f. 1st August, 2007, upon terms and conditions as set out in the Explanatory Statement annexed hereto, with the authority to the Board of Directors of the Company (the “Board”) and the Remuneration Committee (the “Committee”) 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 in the event of absence or inadequacy of profit in any financial year, the remuneration payable to Mr. Dinesh H. Valecha shall be governed by Schedule XIII of the Act or any modification(s) thereto.

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

10. To consider and, if thought fit, to pass, 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 all guidelines for managerial remuneration issued by the Central Government from time to time, and the Articles of Association of the Company, and subject to such approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Umesh H. Valecha as the Whole-time Director, for a period of two years w.e.f. 1st July, 2007, upon terms and conditions as set out in the Explanatory Statement annexed hereto, with the authority to the Board of Directors of the Company (the "Board") and the Remuneration Committee (the "Committee") 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 in the event of absence or inadequacy of profit in any financial year, the remuneration payable to Mr. Umesh H. Valecha shall be governed by Schedule XIII of the Act or any modification(s) thereto.

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."

11. 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 all guidelines for managerial remuneration issued by the central government from time to time, and the Articles of Association of the Company, and subject to such approvals/

consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Arvind B. Gogate as the Whole-time Director, for a period of two years w.e.f. 1st August, 2007, upon terms and conditions as set out in the Explanatory Statement annexed hereto, with the authority to the Board of Directors of the Company (the "Board") and the Remuneration Committee (the "Committee") 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. Arvind B. Gogate, 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 in the event of absence or inadequacy of profit in any financial year, the remuneration payable to Mr. Arvind B. Gogate shall be governed by Schedule XIII of the Act or any modification(s) thereto.

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."

12. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED that pursuant to the applicable provisions of the Companies Act, 1956 and Article 124, 125, 126 and 127 of the Articles of Association of the Company and subject to the Guidelines issued by the Securities & Exchange Board of India (SEBI) and such other approvals, permissions and sanctions as may be necessary and subject further to such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approvals which the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof) be and is hereby authorised to accept, if it thinks fit, the Company be and is hereby authorised to capitalise upto Rs. 4,23,94,500 out of 'Reserves and Surplus' and transfer to the Share Capital Account towards the issue and allotment of 42,39,450 equity shares of Rs. 10 each credited as fully paid-up bonus shares (the "Bonus Shares"), to (a) members of the Company whose names appear on the Register of Members of the Company on the Record Date to be determined by the Board (b) to such persons as become members of the Company on the exercise of warrants issued and allotted on 18th April, 2007, in the proportion of 1 (one) new fully paid-up equity share of Rs. 10 each for every 2 (two) equity shares of Rs. 10 each held as on the Record Date or the date of conversion of warrants as the case may be and that the Bonus Shares so issued and allotted be treated for all purposes as an increase in the nominal amount of the equity share capital of the Company held by each such member and not as income and that the said equity shares be issued and allotted, inter-alia, on the following terms and conditions:

- (a) The new equity shares of Rs. 10 each to be issued and allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend and shall carry the same rights as the then existing equity shares of the Company and shall be entitled to participate in full in any dividend declared in respect of the Company's financial year in which the bonus shares are allotted.
- (b) No Letter of Allotment shall be issued for the Bonus Shares and the share certificates in respect thereof shall be delivered/despached within the statutory time limit or such extended period as may be approved by appropriate authorities from the date of their allotment and in case of members who hold equity shares (or opt to receive the bonus shares) in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participants.
- (c) If as a result of implementation of this resolution, any member becomes entitled to a fraction of a Bonus Share, the Company shall not issue any certificate or coupon in respect of such fractional share but the total number of such Bonus Shares representing such fractions shall be allotted by the Board to a nominee to be selected by the Board who would hold these as trustee for the members who would have been entitled to such fractions and such nominee as soon as possible will sell the Bonus Shares allotted to him at the prevailing market rate(s) and the net sale proceeds after adjusting the cost and expenses in regard thereto will be distributed among such members who are entitled to such fractions in the proportion of their respective holding(s).
- (d) Allotment of new equity shares as Bonus Shares and distribution of net sale proceeds in respect of fractions to the non-resident members shall be subject to receipt of all necessary regulatory approvals.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may, in its sole and absolute discretion deem necessary, expedient, usual or proper in order to give effect to the above resolution and to settle any question, doubt or difficulty that may arise with regard to the issue and allotment of Bonus Shares as aforesaid or any other matter incidental or consequential thereto."

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

"RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) or re-enactment thereof), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended from time to time and in accordance with the Memorandum and Articles of Association of the Company and the listing agreements

entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and subject to the rules, regulations/guidelines and circulars, if any, prescribed by the Reserve Bank of India (the "RBI"), the Securities and Exchange Board of India ("SEBI") and/or any other relevant authority from time to time to the extent applicable and subject to such consents, sanctions, permissions and such other approvals as may be necessary from the Government of India, the RBI, SEBI, the Stock Exchanges and all other appropriate statutory, governmental; and other authorities and departments in this regard and subject to such conditions, alterations and modifications as may be prescribed by any of them in granting such approvals, consents, sanctions and permissions, which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) the Board be and is hereby authorized to create, offer, issue and allot, in the course of domestic and/or international offering(s) in one or more tranches to Foreign Investors, Foreign Institutional Investors, Non-Resident Indians, Corporate Bodies, Trusts, Mutual Funds, Banks, Insurance Companies, Pension Funds, Individuals and/or Trustees and/or stabilisation agents or otherwise, whether shareholders of the Company or not, through a domestic public issue and/or on a private placement basis, equity shares of nominal value of Rs. 10/- each or and/or securities convertible into equity shares at the option of the Company and/or the holder of the security and/ or securities linked to equity shares, any instruments or securities representing either equity shares or convertible securities, equity shares underlying securities in the form of Global/American Depository Receipts, Foreign Currency Convertible Bonds and/or Fully/partially Convertible Bonds/ Debentures/Loans and/or Depository Shares/Receipts or any other permitted instruments/ securities to be listed on such Stock Exchanges in India, where the existing equity shares are listed and/or such Stock Exchanges overseas, through a prospectus and/or offer letter and/or offering circular and/or any other document as required provided however that the total amount raised through the aforesaid Securities does not exceed Indian Rs. 200.00 Crores (Rupees Two hundred Crores) with a green shoe option to retain 15% over and above Rs. 200.00 Crores (Rupees Two hundred Crores), at such price, at a discount or premium to market price or prices, in such manner as the Board may in its discretion think fit, and where necessary in consultation with the lead managers and/or underwriters and/or stabilization agents and/or advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion decide and deem appropriate at the time of such issue.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution and any creation, issue, offer or allotment of equity shares/other securities as described herein, the Board be and is hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, to finalise the exact size of the issue, pricing, terms and conditions of the issue

and venue of listing of the aforesaid securities, including amendments or modifications thereto as may be deemed fit by them, the appointment of the intermediaries and entering into arrangements for managing, underwriting, marketing, listing, trading, acting as depository, custodian, registrar, paying and conversion agent, trustee whether in India or abroad, and to finalise the terms and conditions (including payment of fees, commission, out of pocket expenses and their charges subject to requisite approvals) of the appointments so made or arrangements entered into, as they may in their absolute discretions think fit and any other matter including issue of any offer document(s) and signing of applications, filings, deeds, documents and writings and expenses relating thereto and approval of the allotment of the shares and the issue of the master share certificate, subject to the receipt of the offering proceeds and to settle all questions, difficulties or doubts, that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion deem fit;

RESOLVED FURTHER THAT in the case of issue of securities in the international markets as aforesaid, the Company and/or any bank or depository authorized by the Board may upon the issue of equity shares of the Company and the deposit thereof with such bank or depository, issue Global/American Depository Receipts representing the underlying securities issued by the Company in negotiable, registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and providing for the tradability or free transferability thereof as per international practices and regulations;

RESOLVED THAT the equity shares issued shall rank *pari passu* with the existing equity shares of the Company in all respects, including in respect of dividend.

RESOLVED FURTHER THAT the Board be and is hereby authorized to sign, execute and issue consolidated receipts for the Securities, finalise allotment of the Securities in respect of the subscriptions received, basis of allotment in case of over subscription, accept and appropriate the proceeds of the issue, notify the stock exchanges, obtain in-principle and final approvals of the stock exchanges, execute the listing application, various agreements undertakings, deeds, declarations, notices and all other documents, including any modifications thereof, and to do all such things, deeds and acts and to comply with all the formalities as may be required in connection with and incidental to the aforesaid offering of the Securities and other post issue formalities including with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to file the requisite registration statements and other documents with the Stock Exchanges in India and abroad for this purpose;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers herein conferred to a Committee of the Board and/or the Chairman and/or the Managing Director along with the authority to these entities to further delegate all or any of such powers to any one or more executives of the Company, in order to give effect to the aforesaid resolution."

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

"RESOLVED THAT in pursuant to the of provisions of Section 314 of the Companies Act, 1956 (the "Act") read with Director's Relative (Office or Place of profit) rules, 2003 and all other applicable provisions if, any of the Act and subject to the approval of the Central Government if applicable, consent of the Company be and is hereby accorded to Mrs. Kavita Valecha Sharma a relative of Director of the Company to hold and continue to hold an office or place of profit as the Company Secretary of the company at an enhanced remuneration of not exceeding Rs. 50,000/- (Rupees Fifty Thousand only) per month including allowances, perquisite and benefits as per the policies of the Company w.e.f. 1st April, 2007.

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

By order of the Board

Mumbai
30th July, 2007

KAVITA VALECHA SHARMA
Company Secretary

Registered Office:

"Valecha Chambers" 7th 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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy in order to be effective should be completed and signed and must 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 Wednesday the 22nd August, 2007 to Monday, 3rd September, 2007 (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) The dividend declared at the meeting, will be made payable on or before 2nd October, 2007 as applicable, in respect of shares held in physical form to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfer lodged with the Company on or before the end of business hours on Tuesday, the 21st August, 2007 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as on that date.

(E) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto and including the financial year ended on 31st March, 1999 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, 2000 onwards are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year ended 31st March, 2000 is due for transfer, members are requested to make their claims before 1st October, 2007.

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

(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 warrants payable accordingly. In respect of shares held in electronic form, the instruction regarding change of address and bank account details should be given directly to the Depository Participants and the Company cannot entertain any such requested directly from the shareholders.

(G) Any member requiring further information as regards accounts at the meeting is requested to send queries in writing to the Company's Registered Office so as to reach on or before 21st August, 2007 so that the information required can be made available at the meeting.

(H) All documents referred to in the above Notice and the accompanying explanatory statements are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.

ANNEXURE TO THE NOTICE

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

Item No. 7

The Board of Directors at its meeting held on 29th June, 2007 have re-appointed Mr. Jagdish K. Valecha as the Managing Director of the Company w.e.f. 11th June, 2007 for the period of two years.

The principal terms and conditions of the agreement appointing Mr. Jagdish K. Valecha are as under:

1. Period of appointment : Two years.
2. Remuneration (Effective from 11th June, 2007).
 - (a) *Salary:* Salary of Rs. 2,00,000/- (Rupees Two Lakhs only) per month w.e.f. 11th June, 2007 [with an increase of Rs. 25,000/- (Rupees Twenty Five Thousands only) per month w.e.f. 11th June, 2008].
 - (b) *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 the Managing Director 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 to the Managing Director 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 the Managing Director against personal accident risk, subject to the condition that the premium payable by the Company shall not exceed Rs. 1,000/- (Rupees One Thousand only) per month. [Family means spouse, dependent children and dependent parents of the Managing Director.]
- (v) Allowances in lieu of commission on profit, subject to the overall 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").

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 not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs. 3,50,000/- or such other ceiling as may

be prescribed by the Gratuity Act, 1972 or the Company's Gratuity Scheme.

PART – C

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

3. 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 Act, or any amendments made hereafter in that regard.
4. The agreement may be terminated by either party giving the other party three month's notice. However the appointment may be terminated by less than three months' notice by mutual consent between the parties.
5. If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
6. The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors of the Company or any committee or committees thereof.
7. The Managing Director 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.

Minimum remuneration:

In the absence of inadequacy of profits in any financial year Mr. Jagdish K. Valecha, Managing Director may be paid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in Schedule XIII to the Act.

This may be treated as an abstract under Section 302 of the Act, of the terms of the agreement with Mr. Jagdish K. Valecha.

None of the Directors except Mr. Jagdish K. Valecha is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

Item No. 8

The Board of Directors at its meeting held on 29th June, 2007 have re-appointed Mr. Ramchand H. Valecha as Whole-time Director of the Company w.e.f. 1st July, 2007 for a period of two years.

The principal terms and conditions of the agreement appointing Mr. Ramchand H. Valecha are as under:

1. Period of appointment: Two years.
2. Remuneration (Effective from 1st July, 2007).
 - (a) *Salary:* Salary of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month w.e.f. 1st July, 2007 [with an increase of Rs. 25,000/- (Rupees Twenty Five Thousand only) per month w.e.f. 1st July, 2008].

(b) 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 the Whole-time Director 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 to the Whole-time Director actual traveling 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 the Whole-time Director against personal accident risk, subject to the condition that the premium payable by the Company shall not exceed Rs. 1,000/- (Rupees One Thousand Only) per month. [Family means spouse, dependent children and dependent parents of the Whole-time Director.]
- (v) Allowances in lieu of commission on profit, subject to the overall 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").

PART – B

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.

PART – C

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

3. 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.
4. The agreement may be terminated by either party giving the other party three month's notice. However the appointment may be terminated by less than three month's notice by mutual consent between the parties.
5. If at any time the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-Time Director.

6. The Whole-time Director shall not be entitled to sitting fees for attending meetings of the Board of Directors of the Company or any committee or committees thereof.
7. The Whole-time Director 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.

Minimum remuneration:

In the absence of inadequacy of profits in any financial year Mr. Ramchand H. Valecha Whole-time Director may be paid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in Schedule XIII to the Act.

This may be treated as an abstract under Section 302 of the Act, of the terms of the agreement with Mr. Ramchand H. Valecha.

None of the Directors except Mr. Ramchand H. Valecha is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

Item No. 9

The Board of Directors at its meeting held on 29th June, 2007 have re-appointed Mr. Dinesh H. Valecha as Whole-time Director of the Company w.e.f. 1st August, 2007 for a period of two years.

The Principal terms and conditions of the agreement appointing Mr. Dinesh H. Valecha are as under:

1. Period of appointment: Two years.
2. Remuneration (Effective from 1st August, 2007).
 - (a) *Salary:* Salary of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month w.e.f. 1st August, 2007 [with an increase of Rs. 25,000/- (Rupees Twenty Five Thousand only) per month w.e.f. 1st August, 2008].
 - (b) *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 the Whole-time Director 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 to the Whole-time Director 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 the Whole-time Director against personal accident risk, subject to the condition that the premium payable

by the Company shall not exceed Rs. 1,000/- (Rupees One Thousand Only) per month. [Family means spouse, dependent children and dependent parents of the Whole-time Director.]

- (v) Allowances in lieu of commission on profit, subject to the overall limit of 3% of net profit for the relevant year as stipulated in Section 198, 309 and Schedule XIII of the Act.

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 not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs. 3,50,000/- or such other ceiling as may be prescribed by the Gratuity Act, 1972 or Company's Gratuity Scheme.

PART – C

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

3. 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 Act, or any amendments made hereafter in that regard.
4. The agreement may be terminated by either party giving the other party three month's notice. However the appointment may be terminated by less than three months' notice by mutual consent between the parties.
5. If at any time the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-time Director.
6. The Whole-time Director shall not be entitled to sitting fees for attending meetings of the Board of Directors of the Company or any committee or committees thereof.
7. The Whole-time Director 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.

Minimum remuneration:

In the absence of inadequacy of profits in any financial year Mr. Dinesh H. Valecha, Whole-time Director may be paid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in Schedule XIII to the Act.

This may be treated as an abstract under Section 302 of the Act, of the terms of the agreement with Mr. Dinesh H. Valecha.