

HEALTHY PAST

ENGINEERS & CONSTRUCTORS



PROMISING FUTURE

REDEFINING INFRASTRUCTURE

VALECHA



(ISO 9001:2000)





CERTIFICATE OF REGISTRATION

VALECHA ENGINEERING LIMITED

ADDRESS:- VALECHA HOUSE, 4TH FLOOR, NEW LINK ROAD, ANDHERI (W), MUMBAI-400053

Certificate No: QA / IND /0478

Here in after called the company, the right to be listed in the Directory of Registered Companies in respect of the services listed below. These services shall be offered by the QA TECHNIC from only the address given.

ISO 9001:2008

CONTRACTS AND EXECUTION OF INFRASTRUCTURAL CONSTRUCTION PROJECTS LIKE
ROADS, FLYOVERS, BRIDGES, TUNNELS, RUNWAYS, DAMS, BARRAGES, CANALS,
DIAPHRAGM WALLS, HYDRAULIC ROTARY PILED FOUNDATION AND
BUILDING WORKS.

OUT OF SCOPE 7.3

EA 28

Further clarification regarding the scope of this certificate of ISO 9001:2008 requirements may be obtained by consulting the organization

Certificate Issue Date : 19th June 2009

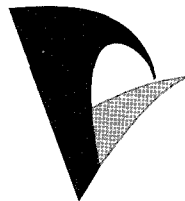
Date of Initial Registration : 19th June 2009

Certificate Expiry Date : 19th June 2012

Re-assessment Period : 3 Years

General Manager
Latif Murat YILMAZ

ALBERK QA INTERNATIONAL TECHNICAL
CONTROL AND CERTIFICATION LTD.
Tel : +90 216 572 49 10-11-12
Fax : +90 216 572 49 14
www.qatechnc.com



VALECHA
REDEFINING INFRASTRUCTURE

Confident step towards a Promising Future...

VALECHA ENGINEERING LIMITED

Board of Directors

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

Company Secretary

Kavita Valecha Sharma

Auditors:

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

Consortium Bankers:

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

Solicitors:

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

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

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VALECHA ENGINEERING LIMITED

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Thursday, 20th August, 2009 at 4.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubhash Marg, Mumbai-400001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, 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. G. Ramachandran 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. Dinesh H. Valecha 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 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 for the re-appointment of Mr. Jagdish K. Valecha as Managing Director, for a period of two years w.e.f. 11th June, 2009, 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 reappointment 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 Companies Act, 1956, 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 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, 2009, 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 reappointment 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 Companies Act, 1956, 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 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, 2009, 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 reappointment 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 Companies Act, 1956, 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 in supersession of the resolution limiting the borrowing powers of the Board of Directors of the Company up to Rs. 300.00 crores passed at the Annual General Meeting of the Company held on 24th August, 2006, and pursuant to section 293 (1) (d) and other applicable provisions, if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) for borrowing from time to time any sum or sums of money which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the maximum amount of monies so borrowed by the Board shall not at any time exceed the limit of Rs. 600.00 (Rupees Six Hundred Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this 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 Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company (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) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties both present and future, and in such manner as the Board may deem fit together with power to takeover the management and concern of the Company in certain events in favour of Banks/Financial Institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary shares and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other

moneys payable by the Company in respect of the said loans, shall not, at any time exceed the limit of Rs. 600.00 crores (Rupees Six hundred crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

By order of the Board

Mumbai
29th June, 2009

KAVITA VALECHA SHARMA
Company Secretary

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 Tuesday, the 11th August, 2009 to Thursday, 20th August, 2009 (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 19th September, 2009 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 Monday, the 10th August, 2009 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, 2001 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.

VALECHA ENGINEERING LIMITED

Members who have not yet encashed their dividend for the financial year ended 31st March, 2002 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, 2002 is due for transfer, members are requested to make their claims before 15th September, 2009.

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 should be given directly to the Depository Participants and the Company cannot entertain any such request 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 11th August, 2009 so that the information required can be made available at the meeting.

By order of the Board

Mumbai
29th June, 2009

KAVITA VALECHA SHARMA
Company Secretary

ANNEXURE TO 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 24th June, 2009 have re-appointed Mr. Jagdish K. Valecha as a Managing Director of the company w.e.f. 11th June, 2009 for a period of two years. This appointment is subject to approval of shareholders at this meeting.

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, 2009).
 - (a) Salary: Salary of Rs. 5,00,000/- (Rupees Five Lakhs only) per month w.e.f. 11th June, 2009 with an increase of Rs. 1,00,000/- (Rupees One Lakh Only) per month w.e.f. 11th June, 2010.
 - (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 or as per applicable provisions.
[Family means spouse, dependent children and dependent parents of the Managing Director.]
- (v) Allowances and incentives, if any, 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 or 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 phone 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 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 months' 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 Companies 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 the said Resolution.

Your Directors recommend the resolution for your approval.

Item No. 8

The Board of Directors at its meeting held on 29th June, 2009 have re-appointed Mr. Umesh H. Valecha as Whole-Time Director of the Company w.e.f. 1st July, 2009 for a period of two years. This appointment is subject to approval of shareholder at this meeting.

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

1. Period of appointment : two years.
2. Remuneration (Effective from 1st July, 2009).
 - a) Salary: Salary of Rs. 3,00,000/- (Rupees Three Lacs Only) per month w.e.f. 1st July, 2009 with an increase of Rs. 50,000/- (Rupees Fifty Thousand Only) per month w.e.f. 1st July, 2010.

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 or as per applicable provisions.
[Family means spouse, dependent children and dependent parents of the Whole-Time Director.]
- (v) Allowances and incentives, if any, 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 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 phone 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 months' 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. Umesh 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 Companies Act.

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

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

Yours Directors recommend the resolution for your approval.

Item No. 9

The Board of Directors at its meeting held on 29th June, 2009 have re-appointed Mr. Dinesh H. Valecha as Whole-Time Director of the Company w.e.f. 1st August, 2009 for a period of two years. This appointment is subject to approval of shareholders at this meeting.

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, 2009).
 - a) Salary: Salary of Rs. 3,00,000/- (Rupees Three Lacs Only) per month w.e.f. 1st August, 2009 with an increase of Rs. 50,000/- (Rupees Fifty Thousand Only) per month w.e.f. 1st August, 2010.

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.

VALECHA ENGINEERING LIMITED

- (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 or as per applicable provisions.
[Family means spouse, dependent children and dependent parents of the Whole-Time Director.]
- (v) Allowances and incentives, if any, 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 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 phone 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, or any amendments made hereafter in that regard.
- 4. 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.
- 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 Companies Act, of the terms of the agreement with Mr. Dinesh H. Valecha.

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

Your Directors recommend the resolution for your approval.

Item No. 10 & 11

Pursuant to Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of the Company cannot except with the consent of the Company in General Meeting, borrow money, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Taking into consideration the requirements of additional funds to meet the future capital expenditure and long term working capital needs of the Company, it is expected that the limit, as sanctioned by the shareholders is likely to be exceeded. The consent of the Shareholders is therefore, sought in accordance with the provisions of Section 293 (1) (d) of the Companies Act, 1956, to enable the Directors to borrow monies to the extent of Rs. 600.00 crores. The resolution under Item No.10 is to obtain the consent of the shareholders' for this purpose.

The mortgage and/or charge by the Company of its, movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/agent(s)/trustees, with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking (s) within the meaning of Section 293 (1) (a) of the Companies Act, 1956. Hence, it is necessary to pass a resolution under Section 293 (1) (a) of the Companies Act, 1956, for creation of charges/mortgages/hypothecations for an amount not exceeding the borrowing limit of Rs. 600.00 crores.

The Directors recommend the resolution at Item No. 10 & 11 for approval of the shareholders. None of the Directors of the Company is concerned or interested in the passing of this resolution.

By order of the Board

Mumbai
29th June, 2009

KAVITA VALECHA SHARMA
Company Secretary

Registered Office:

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

DIRECTORS' REPORT

To The Members,

The Directors present their Thirty Second Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2009.

(Rs. in lacs)

1. Financial Results:	2008-2009	2007-2008
Net Sales/Income From Operations	60637.37	49750.89
Other Income	627.17	396.33
	61264.54	50147.22
Less: Total Expenditure	56942.08	46670.10
Gross Profit Before Interest Depreciation, Taxes and exceptional income	4322.46	3477.12
Less: Interest	1355.43	690.49
Profit Before Depreciation, Tax and Exceptional Income	2967.03	2786.63
Less: Depreciation	856.28	749.20
Profit Before Exceptional Income & Taxation	2110.75	2037.43
Add: Exceptional Income	—	1878.95
Profit Before Taxation	2110.75	3916.38
Provision For Taxation		
Current Tax	383.80	315.69
Deferred tax	272.40	298.35
Fringe Benefit Tax	5.00	7.13
Profit After Tax	1449.55	3295.21
Paid-Up Equity Share Capital	1793.00	1195.34
Reserves	19275.05	18523.13
(Excluding Revaluation Reserves)		
E.P.S. With Exceptional Income		
— Basic	8.08	18.38
— Diluted	8.08	18.38
Without Exceptional Income		
— Basic	8.08	7.90
— Diluted	8.08	7.90

2. Dividend:

The Directors recommend payment of dividend of Rs.1.20 per share (Previous Year Re.1.00 per share) for the year ended 31st March, 2009 on fully paid Equity Shares, if approved by the members at the Thirty Second Annual General Meeting to be held on 20th August, 2009.

3. Operations:

During the year under review, the turnover has increased to Rs. 60,637.37 lacs from Rs. 49750.89 lacs in 2007-2008 representing an increase of 21.88%. The Profit Before Tax (PBT) has increased by 3.60% from Rs. 2037.43 Lacs (without exceptional Income) in the previous year to Rs. 2110.75 Lacs for the year 2008-2009. The Profit After Tax (PAT) was Rs. 1449.55 Lacs for the year 2008-2009 as compared to PAT of Rs. 1416.26 lacs (without exceptional income) for the previous year representing an increase by 2.35%.

4. Fixed Deposits:

The Company has accepted Rs. 481.60 lacs Fixed Deposits by way of invitation to the public. There were no deposits, which were claimed and remained unpaid by the Company as on 31st March, 2009.

5. Outlook and Review:

Since the mid 2008, the global economy has been experiencing a severe slow down. Valecha Engineering Limited continued its journey of making sustain growth and achieved the projected turn over. Valecha Engineering Limited bagged projects worth Rs. 385.00 crores which include a) Dwarka under pass for DDA, Delhi, b) Bridge work for DDA at Sarita Vihar, New Delhi, c) Bridge work at Anand Vihar, New Delhi for PWD and d) Shrinagar Runway for Military Engineering Services taking the order book position to above Rs. 1000 crores.

Valecha Engineering Limited is evaluating diversification in various areas like Hydro Power Project, BOT projects etc. For this we have collaborated with international Companies that has catapulted the Company in the global league.

VALECHA ENGINEERING LIMITED

6. Directors:

Directors deeply mourn the sad demise of Shri Vasudev P. Valecha, Chairman, on 9th May, 2009. The Board would like to place on record its sincere appreciation for the invaluable services rendered by Shri Vasudev P. Valecha, right from the inception of the Company. Shri Ramchand H. Valecha whose term expires on 30th June, 2009 has expressed his unwillingness to continue as a director due to ill health. The Board would like to place on record its sincere appreciation for the invaluable services rendered by Shri. Ramchand H Valecha, right from the inception of the Company.

After the sad demise of Shri Vasudev P. Valecha, Shri Anil Harish the existing Director of the Company has been appointed to hold the office of the Chairman of the Company and also to chair the Board and General meetings of the Company.

Retirement by Rotation:

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

7. 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. They have given their consent to be re-appointed for the current year. Members are requested to consider re-appointing them as Auditors.

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

8. Capital:

During the year the Company allotted 59,76,675 number of equity shares to shareholders of the Company by way of Bonus Shares by capitalization of General Reserves on the basis of one share for every two shares held (1:2).

On 24th June, 2009, the Company has also allotted 16,00,000 warrants on preferential basis to promoters and other entities pursuant to the resolution passed at EGM held on 30th May, 2009.

9. Subsidiary:

Valecha Infrastructure Limited & Valecha International FZE:

Accounts and other details of subsidiaries are given in this Annual Report.

For the year under review, no business was transacted in these Companies.

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

Information pursuant to 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:

	(Rs. in lacs)	
	Current Period	Previous Year
Foreign Exchange Outgo	993.27	653.84
Foreign Exchange Earned	—	206.83

11. Particulars of Employees:

The particulars of employees u/s 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is annexed to this report.