



Diaphragm wall



Nallah Bridge Anand Vihar



Lebad-Manpur Section (SH-31) BOT Road Project



▲ Lebad-Manpur Section (SH-31) BOT Road



▲ IOCL Refinery Paradip, Orissa.



▲ Bored Pile Installation at Dubai.



▲ Concreting work at IOCL Refinery Paradip, Orissa.



▲ Salient Feature Dwarka Underpass



▲ Neelah Hauz

Board of Directors

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

Company Secretary

Kavita Valecha Sharma

Auditors:

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

Consortium Bankers:

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

Solicitors:

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

Registrars and Transfer Agents:

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

Registered Office:

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

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NOTICE

Notice is hereby given that the Thirty Fourth Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Friday, 29th July, 2011 at 4.00 p.m. at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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. Dinesh H. Valecha who retires by rotation and being eligible, offers himself 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 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, 2011, 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 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.”

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. Umesh H. Valecha as the Whole-Time Director, for a period of two years w.e.f. 1st July, 2011, 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 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. Dinesh H. Valecha as the Whole-Time Director, for a period of two years w.e.f. 1st August, 2011, 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 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 Special Resolution:

“RESOLVED THAT pursuant to Section 309 and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and subject to all permissions, sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded for the payment of Commission to the Director(s) of the Company who is/are neither in the Whole Time Employment nor Managing Director(s), of an amount not exceeding 1% of the net profits of the Company for a period of 5 years from the financial year commencing 1st April, 2011.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or Remuneration Committee constituted by the Board be and are hereby authorised to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

By order of the Board

KAVITA VALECHA SHARMA

Company Secretary

Mumbai

10th June, 2011

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 Friday, the 22nd July, 2011 to Friday, 29th July, 2011 (both days inclusive).

- (C) The dividend declared at the meeting, will be made payable on or before 28th August, 2011 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 Thursday, the 21st July, 2011 and in respect of shares held in the electronic form to those “Deemed Members” whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as on that date.

- (D) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto and including the financial year ended on 31st March, 2003 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, 2004 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, 2004 is due for transfer, members are requested to make their claims before 14th August, 2011.

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

- (E) Members are requested to notify immediately any change in their address to the Company and details about their Bank Account Number, Name of the Bank, Bank's Branch name and address to enable the Company to draw dividend 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.
- (F) 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 22nd July, 2011 so that the information required can be made available at the meeting.

Mumbai
10th June, 2011

By order of the Board
KAVITA VALECHA SHARMA
Company Secretary

ANNEXURE TO NOTICE

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

Item Nos. 6, 7 & 8

The Board of Directors at its meeting held on 10th June, 2011 have re-appointed Mr. Jagdish K. Valecha as a Managing Director, Mr. Umesh H. Valecha and Mr. Dinesh H. Valecha as Whole Time Directors of the company. These reappointments are subject to approval of shareholders at this meeting.

The Principal terms and conditions of appointment are as under:

Name	Designation	Period of Appointment	Salary	Commission & Incentives
Mr. Jagdish K. Valecha	Managing Director	2 years w.e.f. 11th June, 2011	₹ 6,00,000/- per month	Commission and Incentives, if any, not exceeding the limit of 3% of net profit for the relevant year as stipulated in Section 198, 309 and Schedule XIII of the Companies Act, 1956 (the "Act").
Mr. Umesh H. Valecha	Whole time Director	2 years w.e.f. 1st July, 2011	₹ 3,50,000/- per month	Commission and Incentives, if any, not exceeding the limit of 3% of net profit for the relevant year as stipulated in Section 198, 309 and Schedule XIII of the Companies Act, 1956 (the "Act").
Mr. Dinesh H. Valecha	Whole time Director	2 years w.e.f. 1st August, 2011	₹ 3,50,000/- per month	Commission and Incentives, if any, not exceeding the limit of 3% of net profit for the relevant year as stipulated in Section 198, 309 and Schedule XIII of the Companies Act, 1956 (the "Act").

Perquisites:

PART – A

- The expenditure incurred by the Company on gas, electricity, and water shall be valued as per the Income-Tax Rules, 1962.
- The Company shall reimburse medical expenses for self and family, subject to a ceiling of one month's salary in a year or Two months salary in a block of two years.

- The Company shall reimburse actual travelling expenses for proceeding on leave from Mumbai to any place in India or abroad and returning there from once in a year for self and family, subject to a ceiling of one month's salary.

- The Company shall arrange to insure against personal accident risk, subject to the condition that the premium payable by the company shall not exceed ₹ 1,000/- (₹ One Thousand only) per month or as per applicable provisions.

[Family means spouse, dependent children and dependent parents of the Executive Directors.]

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.
- Gratuity not exceeding half a month's salary for each completed year of service subject to a ceiling of ₹ 10,00,000/- 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 Executive Directors.

- 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.
- 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.
- If at any time the Executive Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Executive Director.
- The Executive 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.

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

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

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

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

Item No. 9

The Chairman and the Non-Executive Directors are required to devote more time and attention, more so with the requirements of the revised Corporate Governance Policies. The Board therefore recognizes the need to suitably remunerate the Director(s) of the Company who are neither in the Whole Time Employment nor Managing Director(s) with such commission

upto a ceiling of 1% of the net profits of the Company, every year, or such other limit as may be approved by the Central Government, for a period of 5 years from the financial year commencing from 1st April, 2011. The quantum of the said commission will be apportioned amongst the Non-Executive Directors commensurate with their respective performance, which will be adjudged by the Remuneration Committee of the Board, based on pre-defined qualitative and quantitative parameters.

The Board recommends passing of the Resolution as set out in Item No. 9 of the accompanying Notice.

All the Non-Executive Directors of the Company, may be deemed to be concerned or interested in this resolution to the extent of commission that may be payable to them from time to time.

Mumbai
10th June, 2011

By order of the Board

KAVITA VALECHA SHARMA
Company Secretary

DIRECTORS' REPORT

To The Members,

The Directors present their Thirty Fourth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2011.

(₹ in lacs)

1. Financial Results:	2010-2011	2009-2010
Net Sales/Income from Operations	72975.09	65205.13
Other Income	935.50	764.09
	<u>73910.59</u>	<u>65969.22</u>
Less: Total Expenditure	<u>68646.96</u>	<u>61233.77</u>
Gross Profit Before Interest Depreciation, Taxes and Extraordinary Income	5263.63	4735.45
Less: Interest	<u>1444.05</u>	<u>1349.89</u>
Profit Before Depreciation, Tax and Extraordinary Income	3819.58	3385.56
Less: Depreciation	<u>951.83</u>	<u>901.78</u>
Profit Before Extraordinary Income & Tax	2867.75	2483.78
Add: Extraordinary Income	482.00	1273.62
Profit Before Tax	3349.75	3757.40
Provision for Tax:-		
Current Tax	635.62	557.31
Deferred Tax	<u>234.81</u>	<u>234.17</u>
Profit After Tax	2479.32	2965.92
Add : Balance Brought Forward from Last year	12004.09	9684.87
Prior year adjustment for Taxes & Others	(519.48)	(20.64)
Profit for Appropriation	<u>13963.93</u>	<u>12630.15</u>
APPROPRIATIONS		
Proposed Dividend	312.48	278.70
Tax on Dividend	50.69	47.36
Transfer to General Reserves	300.00	300.00
Balance carried to Balance Sheet	<u>13300.76</u>	<u>12004.09</u>
	<u>13963.93</u>	<u>12630.15</u>
Paid-Up Equity Share Capital	1953.00	1858.00
Reserves (Excluding Revaluation Reserves)	23954.94	22082.77
E.P.S. With Extraordinary Item		
— Basic	13.03	16.49
— Diluted	11.00	15.66
Without Extraordinary Item		
— Basic	10.49	9.41
— Diluted	8.86	8.94

2. Dividend:

The Directors recommend payment of dividend of ₹1.60 per share (Previous Year ₹ 1.50 per share) for the year ended 31st March, 2011 on fully paid Equity Shares, if approved by the members at the Thirty Fourth Annual General Meeting to be held on 29th July, 2011.

3. Operations:

During the year under review, the turnover has increased to ₹ 72975.09 Lacs from ₹ 65,205.13 Lacs in 2010-2011 representing an increase of 11.92%. The Profit before tax without Extraordinary Income (PBT) has increased by 15.46% from ₹ 2483.78 Lacs in the previous year to ₹ 2867.76 Lacs for the year 2010-2011. The Profit After Tax without Extraordinary Income (PAT) was ₹ 1997.32 Lacs for the 2010-2011 as compared to PAT of ₹ 1692.30 Lacs (without extraordinary income) for the previous year representing an increase by 18%.

4. Fixed Deposits:

The Company has accepted ₹3035.85 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, 2011.

5. Outlook and Review:

Infrastructure is given due recognition for a nations economic progress. To sustain growth in the Infrastructure Sector, despite the global meltdown, the government is planning an investment of US\$ 20.38 billion in the next two years for infrastructure development. Further the government has set aside US\$640.8 million for improving the condition of ports, railroads, highways and airports over a period of 15 years.

Infrastructure Sector Growth Rate in India GDP has been on the rise in the last few years. The Growth Rate of the Infrastructure Sector in India GDP has grown due to several reasons and this in turn has given a major boost to the country's economy.

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

- (1) BOT Project for construction of highway at Madhya Pradesh.

- (2) The Company also diversified into Hydro Electric Project & bagged Project in Kerala.
- (3) M/s Valecha Infrastructure Limited (a 100% subsidiary of Valecha Engineering Limited) signed an MOU with the Government of Madhya Pradesh (GOMP) to establish a 440 Mw Thermal Power Plant in the state.
- (4) The Company recently bagged from the North Western Railway Broad Gauge Tunnel Near Jaipur.
- (5) 3 Projects at Kota:- Construction of 2 Nos. Link Bridges from Jhalawar Road at Bajranj Nagar over Canal including approach road and construction of Flyover elevated road from JDB College to Govt College (Antaghar Circle) on Station Road and construction of ROB on NH12@level crossing No.15 Thermal Siding Kota.
- (6) Construction of Roads & Buildings at Bandra for Western Railway
- (7) 2 Laning of Lalpul-Manmao-Changlang from Km 0.00 to km. 68.30 (NH-52B) Highway/Road Work at Arunchal Pradesh.
- (8) Piling work for south side of Paradeep Refinery of Indian Oil Corporation.
- (9) 2 Laning of Trans Arunachal Highway (NH-52B) from Kanubhari Bogibeel Bridge (0.63 kms) in the state of Assam in Joint Venture with M/s. SGCCL of Guwahati.
- (10) Piling work at Orissa for Indian Oil Corporation Refinery.
- (11) Other Projects include Design and Construction of underground stations and Associated tunnels at Chennai.

6. Directors:

The Board of Directors at its meeting held on 10th June, 2011 have reappointed Mr. Jagdish K. Valecha as a Managing Director, Mr. Umesh H. Valecha and Mr. Dinesh H. Valecha as Whole Time Directors of the company.

Retirement by Rotation:

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

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.

8. Capital:

The Company has allotted 2,00,000 equity shares on 27th July 2010, 5,31,000 equity shares on 4th October, 2010 and 2,19,000 equity shares on 22nd December, 2010 on conversion of warrants.

9. Transfer to Reserves:

Your Directors propose to transfer a sum of ₹ 300.00 Lacs to the General Reserve account.

10. Subsidiary:

Valecha Infrastructure Limited, Valecha International FZE, Professional Realtors Pvt Ltd, Valecha LM Toll Pvt. Ltd. Subsequent to the financial year 2010-2011, Valecha Badwani Sendhwa Toll Ways Limited and Valecha Power Limited were incorporated.

Pursuant to a resolution passed by the Board of Directors of the Company in terms of a General Circular dated 8th February 2011 issued by the Ministry of Corporate Affairs, the Financial Statements and the Reports of the Board of Directors and the Auditors of the Company's subsidiaries are not attached to this Annual Report. These documents shall be made available to the members on requisition. These are also available for inspection at the Registered Office of the Company and the respective subsidiaries and are also being posted on the Company's Website: <http://www.valechaeng.com>

11. 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.