



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





Dewatering at Banaso Konar Tunnel Project,  
Hazaribagh, Jharkhand



Kota Link Bridge



Lebad - Manpur 'BOT Project'



BC laying in progress - Bhuj Bhachau-Kachchh



## Board of Directors

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

## Company Secretary

Kavita Valecha Sharma

## Auditors:

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

## Consortium Bankers:

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

## Solicitors:

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

## Registrars and Transfer Agents:

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

## Registered Office:

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

## Contents

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

## NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Thursday, 26th September, 2013 at 4.00 p.m. at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the statement of Profit & Loss Account for the Financial year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in the place of Mr. Arvind Thakkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. G. Ramachandran who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Auditors and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the retiring auditors M/s. D. M. Jani & Co., Chartered Accountants, being eligible for re-appointment, be and are hereby appointed to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration of such sum as may be fixed by the Board of Directors/ any Committee of the Board of Directors, plus service tax and reimbursement of out of pocket expenses as may be incurred in the performance of their duties.”

### SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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



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

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

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

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

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

By order of the Board

KAVITA VALECHA SHARMA  
Company Secretary

Place : Mumbai

Date : 14th August, 2013

Registered Office:

"Valecha Chambers"

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

## NOTES:

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The instrument of proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

- (B) The Register of Members and Share Transfer Books of the Company will remain closed from the 20th September, 2013 to 26th September, 2013 (both days inclusive).

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

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

- (E) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto and including the financial year ended on 31st March, 2005 have been transferred to the Investor Education and Protection Fund of Central Government.

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to Investors Education and Protection Fund (the Fund) set up by the Government of India and no payment shall be made in respect of any such claims by the fund. Members who have not yet encashed their dividend for the financial year ended 31st March, 2006 onwards are requested to write to the Company's Registrar and Transfer Agents, TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

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

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

- (H) Members who have not registered their e-mail address so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with TSR Darashaw Limited, Registrar and Share Transfer Agent of the company.
- (I) To avoid loss of dividend warrants in transit and undue delay in receipt thereof, members are advised to avail the facility for receipt of future dividends through National Electronic Clearing Service (NECS). The NECS facility is available at the locations identified by Reserve Bank of India from time to time which covers most of the cities and towns. Members holding shares in physical form and who have not submitted the NECS details and desirous of availing NECS facility are requested to send to the Share Transfer Agents the details such as: the name of the Shareholder, Bank through which account held, Bank Account number and MICR details immediately and wherever possible the request shall be acceded to.
- (J) Any member requiring further information as regards accounts at the meeting is requested to send queries in

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

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

By order of the Board

**KAVITA VALECHA SHARMA**  
Company Secretary

Place : Mumbai  
Date : 14th August, 2013

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

## ANNEXURE TO NOTICE

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

### Item Nos. 6, 7 & 8

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

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

The Principal terms and conditions of appointment are as under:

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

## Perquisites:

### PART – A

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

### PART – B

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

### PART – C

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

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

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

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

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

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

### Item No. 9

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

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

By order of the Board

**KAVITA VALECHA SHARMA**  
*Company Secretary*

Place : Mumbai  
Date : 14th August, 2013

## DIRECTORS' REPORT

To The Members,

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

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

## 2. Dividend:

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

## 3. Operations:

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

## 4. Fixed Deposits:

The Company has accepted Fixed Deposits by way of invitation to the public. The outstanding amount of Fixed Deposits placed with your Company amounted to ₹ 4068.84 Lacs (Previous Year ₹ 3079.20 Lacs). There were no deposits, which were claimed and remained unpaid by the Company as on 31st March, 2013.

## 5. Outlook and Review:

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



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

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

## 6. Directors:

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

### Retirement by Rotation:

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

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

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

M/s. D. M. Jani & Co., the Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment, pursuant to Section 224 of the Companies Act, 1956. Members are requested to consider re-appointing them as Auditors.

## 8. Capital and Listing of Shares:

The securities of the Company are listed and traded in compulsory dematerialized form on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Your Company has paid the Annual Listing fees to the Stock Exchanges and Depositories up to date.

## 9. Transfer to Reserves:

Your Directors propose to transfer a sum of ₹ 400.00 Lacs to the General Reserve account.

## 10. Subsidiary:

### Your Company has following subsidiaries:

Valecha Infrastructure Limited, Valecha International FZE, Professional Realtors Pvt. Ltd., Valecha LM Toll Pvt. Limited, Valecha Badwani Sendhwa Toll Ways Limited, Valecha Power Limited and Valecha Kachchh Toll Roads Limited.

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

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

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

## 11. Code of conduct:

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

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

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

### A. Conservation of Energy:

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

### B. Technology absorption:

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

### C. Foreign Exchange Earnings & Outgo:

	(₹ in lacs)	
	Current Year	Previous Year
Foreign Exchange Outgo	647.87	1918.40
Foreign Exchange Earned	Nil	Nil

**13. Particulars of Employees:**

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forms part of this report. However, as per the provisions of Sections 219(1) (b) (iv) of the Act, the report and accounts are being sent to all members excluding the statement of particulars of employees under Section 217(2A) of the Act. Any member interested in obtaining a copy of the statement may write to Company Secretary at the Company's Registered Office.

**14. Corporate Governance:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Reports on Management Discussion and Analysis, Corporate Governance as well as Auditors' Certificate regarding compliance of condition of Corporate Governance, form part of this Annual Report.

**15. Director's Responsibility Statement:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that in the preparation of the annual accounts, the applicable accounting standards have been followed. Appropriate accounting policies have been selected and applied consistently, and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit or Loss of the Company for that period. Proper and sufficient

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

**16. Acknowledgements:**

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

For and on Behalf of the Board

**ANIL HARISH**  
*Chairman*

Place : Mumbai

Date : 14th August, 2013.