



VALECHA ENGINEERING LIMITED

**41st Annual Report
2017-18**

VALECHA ENGINEERING LIMITED

CIN: L74210MH1977PLC019535

Board of Directors

Arvind Thakkar	- Chairman
J. K. Valecha	- Vice Chairman cum Managing Director
D. H. Valecha	- Whole-time Director up to 31.07.2018
	- Additional Director w.e.f. 01.08.2018
Tarun Dutta	- Whole-time Director up to 26.06.2018
	- Additional Director w.e.f. 19.07.2018
Ketan H Gandhi	- Independent Director
Sonal V Jltiya	- Non-Executive Director

Company Secretary & Legal : Vijaykumar H. Modi

Auditors : M/s. Kanu Doshi Associates LLP Chartered Accountants

Bankers : State Bank of India, Canara Bank, Axis Bank Ltd. and Lakshmi Vilas Bank Ltd. Syndicate Bank, Central Bank of India, Yes Bank, State Bank of Bikaner & Jaipur and ICICI Bank

Registrars and Transfer Agents : TSR Darashaw Limited - CIN: U67120MH1985PLC037369
6-10 Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011
Tel: 022-66568484 ; Fax : 022-66568494

Registered Office : "Valecha Chambers", 4th Floor, Andheri New Link Road, Andheri (West), Mumbai-400 053.
Tel. : 022-2673 3625 to 29; Fax : 022-2673 3945
E-mail: ho@valecha.in/investor.relations@valecha.in;

CONTENTS	Page Nos.
Notice	4
Directors' Report	11
Report on Corporate Governance	25
Management Discussion and Analysis Report	31
Independent Auditor's Report	33
Balance Sheet	40
Statement of Profit & Loss	41
Cash Flow Statement	43
Significant Accounting Policies	44
Notes on Financial Statement	50
Salient Features of Subsidiary	69
Consolidated Financial Statement	70
Attendance Slip / Proxy Form	
Ballot Paper	

NOTICE

Notice is hereby given that the **Forty-first** Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on **Saturday, 29th September, 2018 at 03:00 p.m.** at **Babasaheb Dahanukar Sabhagriha**, Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Financial Statement of the Company for the financial year ended 31st March, 2018, the reports of the Board of Directors and Auditors thereon; and
 - b. The Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2018.
2. To appoint a Director in place of Mrs. Sonal Jitiya (DIN: 00668047) who retires by rotation and being eligible, offers herself for reappointment

SPECIAL BUSINESS:

To consider and if, thought fit, to pass, the following resolution:

3. As a **Special Resolution**:

TO CONSIDER THE WAIVER OF RECOVERY OF REMUNERATION PAID/PROVIDED TO MR. JAGDISH VALECHA

RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (hereinafter referred to as the "Act") (including any statutory modifications or re-enactments thereof from time to time) read with Schedule V and all other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to all approvals, if any, as may be required, the consent of the members be and is hereby accorded to the Board of Directors of the Company to waive the recovery of excess remuneration paid/provided, prior to the approval of the Central Government, to **Mr. Jagdish K. Valecha (DIN:00013070)** Vice Chairman cum Managing Director of the Company, amounting to Rs. 88.04 lakhs for the period from 11th June, 2017 to 31st March, 2018 and the remuneration as approved by the shareholders in their meeting held on 29th September, 2017 for the period from 01st April, 2018 to 30th September, 2018, and that the remuneration paid/provided as aforementioned be and is hereby approved, ratified, confirmed and adopted.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby authorized to make such applications as may be necessary to the concerned authorities for waiver of recovery of excess remuneration paid/provided to **Mr. Jagdish K. Valecha** as mentioned above and for the purpose of giving effect to this resolution to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable.

4. As a **Special Resolution**:

TO CONSIDER THE WAIVER OF RECOVERY OF REMUNERATION PAID/PROVIDED TO MR. DINESH VALECHA

RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (hereinafter referred to as the "Act") (including any statutory modifications or re-enactments thereof from time to time) read with Schedule V and all other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to all approvals, if any, as may be required, the consent of the members be and is hereby accorded to the Board of Directors of the Company to waive the recovery of excess remuneration paid/provided, prior to the approval of the Central Government, to **Mr. Dinesh H. Valecha (DIN:00012945)** Whole Time Director of the Company, amounting to Rs. 47.90 lakhs for the period from 01st August, 2017 to 31st March, 2018 and the remuneration as approved by the shareholders in their meeting held on 29th September, 2017 for the period from 01st April, 2018 to 31st July, 2018, and that the remuneration paid/provided as aforementioned be and is hereby approved, ratified, confirmed and adopted

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby authorized to make such applications as may be necessary to the concerned authorities for waiver of recovery of excess remuneration paid to **Mr. Dinesh H. Valecha** as mentioned above and for the purpose of giving effect to this resolution to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable.

5. As a **Special Resolution**:

TO CONSIDER THE WAIVER OF RECOVERY OF REMUNERATION PAID TO MR. TARUN DUTTA

RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (hereinafter referred to as the "Act") (including any statutory modifications or re-enactments thereof from time to time) read with Schedule V and all other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to all approvals, if any, as may be required, the consent of the members be and is hereby accorded to the Board of Directors of the Company to waive the recovery of excess remuneration paid, prior to the approval of the Central Government, to **Mr. Tarun Dutta (DIN: 07867786)** Whole Time Director of the Company, amounting to Rs. 54.58 lakhs for the period from 26th June, 2017 to 31st March, 2018 and the remuneration as approved by the shareholders in their meeting held on 29th September, 2017 for the period from 01st April, 2018 to 26th June, 2018, and that the remuneration paid as aforementioned be and is hereby approved, ratified, confirmed and adopted.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby authorized to make such applications as may be necessary to the concerned authorities for waiver of recovery of excess remuneration paid to **Mr. Tarun Dutta** as mentioned above and for the purpose of giving effect to this resolution to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable.

6. As an **Ordinary** Resolution:

TO CONSIDER THE RATIFICATION OF PAYMENT OF REMUNERATION TO THE COST AUDITOR

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 1,00,000/- (Rupees One Lakh only) p.a. plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses, if any, in connection with the Audit be paid to **M/s Darshan Vora & Co. (Membership No.36481)**, Cost Auditors of the Company, for the Financial Year **2018-19**, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid.”

For and on behalf of the Board
FOR VALECHA ENGINEERING LIMITED

VIJAYKUMAR MODI
COMPANY SECRETARY & LEGAL

Place: Mumbai
Date: 21st August, 2018

Registered Office:

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

NOTES:

- (A) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the meeting is annexed hereto. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays, Sundays and Public Holidays up to the date of Annual General Meeting.
- (B) 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.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than **48 hours** before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority, as applicable.

- (C) Corporate Members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, at its Registered Office, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting not less than **48 hours** before the commencement of the meeting.
- (D) The Register of Members and Share Transfer Books of the Company will remain closed from the **Saturday, 22nd September, 2018 to Saturday, 29th September, 2018** (both days inclusive).
- (E) The requirement to place the matter relating to appointment of Statutory Auditor for ratification by members at every Annual General Meeting is done away with vide notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 40th Annual General Meeting, held on **29th September, 2017**.

(F) UPDATION OF BANK AND CONTACT DETAILS

- (i) Members are requested to notify immediately any change of address or bank mandates to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars and Transfer Agents of the Company i.e. TSR Darashaw Limited in respect of their physical share folios, if any.
- (ii) Members who have not registered / updated their e-mail addresses with TSR Darashaw Limited, if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.
- (iii) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, are therefore, requested to submit their PAN to their DPs with whom their demat accounts are maintained. Shareholders holding shares in physical form may submit their PAN details to the Company/or to TSR Darashaw Limited.

(G) HOLDING OF SHARES IN DEMATERIALIZED FORM

In accordance with the amendments to Regulation 40 of Listing Regulations, the Securities and Exchange Board of India (SEBI) has revised the provisions relating to transfer of listed securities and has decided that **w.e.f. 05th December, 2018**, requests for effecting transfer of listed securities, shall not be processed unless the securities are held in dematerialized form with a Depository (National Securities Depository Limited or Central Depository Services (India) Limited). This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors.

Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

(H) INVESTOR EDUCATION AND PROTECTION FUND

- (i) The unclaimed/unpaid dividend up to the Financial Year 2009-10 have been transferred to the Investor Education Protection Fund (IEPF). Those shareholders who have not claimed their dividend up to the financial year 2009-10 and which has been transferred to IEPF, can claim their dividend from the Registrar of Companies, Mumbai
- (ii) Pursuant to the provisions of Sections 123 and 125 of the Companies Act, 2013, the amounts of dividends remaining unclaimed for a period of **7 (seven)** years shall be transferred to the Investor Education and Protection Fund. Due dates for the same are mentioned below:

Sr. No.	Dividend Year	Date of Declaration	Due date for transfer
1	2010-11	29-Jul-2011	02-Oct-2018
2	2011-12	17-Sep-2012	22-Nov-2019
3	2012-13	26-Sep-2013	01-Dec-2020
4	2013-14	29-Sep-2014	03-Dec-2021

Members who have not yet encashed their dividend for the period **31st March, 2011 to 31st March, 2014** are requested to approach, TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 on or before September, 2018.

- (iv) Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for a period of **7 (seven)** consecutive years, up to the F.Y. 2008-09 have been transferred to IEPF on 30th November, 2017.
- (I) 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 to the venue of the Annual General Meeting.
- (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 **22nd September, 2018** so that the information required can be made available at the meeting.
- (K) Pursuant to the provisions of Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with their DP or the Company. The Notice of the Annual General Meeting along with Annual Report for the year ended **31st March, 2018** is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless a member has requested for a physical copy of the same.

Physical copy of the Annual Report is being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended **31st March, 2018** is available on the Company's website www.valechaeng.com.

(L) E-VOTING

- (A) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of remote electronic voting ('e-voting') in respect of the resolutions proposed at Annual General Meeting.
- (B) The period for remote e-voting starts at **9:00 a.m. on Wednesday, 26th September, 2018** and ends at **5:00 p.m. on Friday, 28th September, 2018**. Remote e-voting shall be disabled by NSDL at **5:00 p.m. on 28th September, 2018**. During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date **Saturday, 22nd September, 2018** may request for login ID and password and cast their vote electronically.

E-voting instructions:

The procedure with respect to remote e-voting is provided below:-

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Visit the E-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

1. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 109367 then user ID is 109637001***

3. Your password details are given below:

- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- (c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
4. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

5. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
6. Now, you will have to click on "Login" button.
7. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

- After successful Login at Step 1, you will be able to see the homepage of e-Voting. Click on e-Voting. Then, click on Active E-voting Cycles
- After clicking on Active e-Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of the Company for which you wish to cast your vote
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted
- Upon confirmation, the message, "Vote cast successfully" will be displayed
- You can also take a print out of the votes cast by you by clicking the print option on the confirmation page
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mail@raginichokshi.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

(M) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.

41st Annual Report 2017-2018

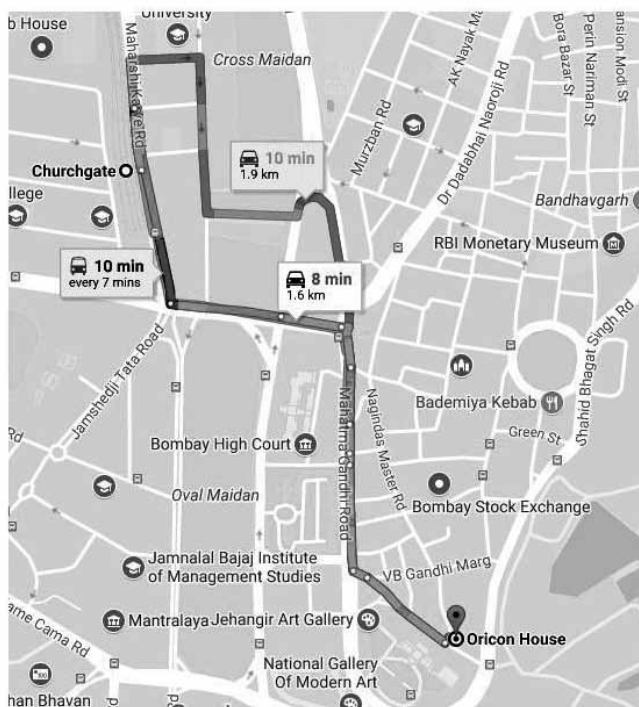
- (N) Members can opt for only one mode of voting i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
- (O) In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to investor.relations@valecha.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, M/s. Ragini Chokshi & Co., Practicing Company Secretary (Membership No.2390) at registered office of the Company not later than **Friday, 28th September, 2018** (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
- (P) General Information
- (a) Every Client ID No./Folio No. shall have one e-vote, irrespective of the number of joint holders.
 - (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on **Saturday, 22nd September, 2018**, the cut-off date.
 - (c) E-voting right cannot be exercised by a proxy.
 - (d) M/s. Ragini Chokshi & Co., Practicing Company Secretary (Membership no.2390) has been appointed as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (e) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
 - (f) The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.valechaeng.com and on the NSDL website <https://www.evoting.nsdl.com> within two working days of the passing of the resolution at the 41st AGM of the Company to be held on **29th September, 2018** and also communicated to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

For and on Behalf of the Board
For VALECHA ENGINEERING LIMITED

VIJAYKUMAR MODI
COMPANY SECRETARY & LEGAL

Place: Mumbai

Date: 21st August, 2018



ANNEXURE TO NOTICE

Explanatory Statement as required under Section 102(1) of the Companies Act, 2013.

Item No. 3

In the 40th Annual General Meeting held on 29th September, 2017 Mr. Jagdish K. Valecha was re-appointed as Vice Chairman cum Managing Director for a period of 3 years with remuneration as under:

Particulars	11.06.2017 to 10.06.2018 (per month)	11.06.2018 to 10.06.2019 (per month)	11.06.2019 to 10.06.2020 (per month)
Salary	7,00,000	9,00,000	11,00,000
Perks and Incentive	2,00,000	2,00,000	2,00,000
Total	9,00,000	11,00,000	13,00,000

The company had made applications to the Ministry of Corporate Affairs (MCA) for the payment of remuneration as aforementioned. However, the company is yet to receive communication from MCA in this regard.

Out of the remuneration approved by the shareholders in their meeting held on 29th September, 2017, an amount of Rs. 88.04 lakhs for the period from 11th June, 2017 to 31st March, 2018 has been paid/provided and provision has been made for the period from 01st April, 2018 to 30th September, 2018.

Government inaction, delay in awarding projects, delays in clearances by various government agencies, inflationary pressures resulting in an all-round increase in costs especially of major construction materials, resulted in a squeeze on liquidity, higher interest costs leading to delays in projects, and delays in timely recoveries from clients. The impact led to pressures on the working capital and resulted in higher debt. There is no cost effective financing available for the longer duration which is the biggest challenge the infrastructure sector is facing today coupled with other issues. The Company is affected by these challenges which have in turn affected the profitability.

Mr. Jagdish K. Valecha continues to manage the affairs of the Company during such critical times and devotes all his time and effort in managing the Company's affairs. Under the guidance of Mr. Jagdish Valecha, the Company is now an ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007.

The management of the Company believes that the remuneration as previously approved by the members of the Company and paid/provided to Mr. Jagdish K. Valecha was justified in terms of his key role within the Company

Considering the above, the Nomination and Remuneration Committee and the Board have, at their respective meeting(s) held on 21st August, 2018, subject to the approval of the members of the Company, accorded their consent for waiver of the recovery of excess managerial remuneration paid/provided by the Company to Mr. Jagdish Valecha.

Except for Mr. Jagdish K. Valecha to whom the resolution relates and to his relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested in the aforementioned Special Resolution set out at Item no. 3 above.

The Board commends passing of the Special Resolution as set out in Item No. 3 for approval of the members.

Item No. 4

In the 40th Annual General Meeting held on 29th September, 2017 Mr. Dinesh Valecha was re-appointed as Whole Time Director for a period of 1 year with remuneration as under:

Particulars	01.08.2017 to 31.07.2018 (per month)
Salary	5,00,000
Perks and Incentive	83,333
Total	5,83,333

The company had made applications to the Ministry of Corporate Affairs (MCA) for the payment of remuneration as aforementioned. However, the company is yet to receive communication from MCA in this regard.

Out of the remuneration approved by the shareholders in their meeting held on 29th September, 2017, an amount of Rs. 47.90 lakhs for the period from 01st August, 2017 to 31st March, 2018 has been paid/provided and provision has been made for the period from 01st April, 2018 to 31st July, 2018

Government inaction, delay in awarding projects, delays in clearances by various government agencies, inflationary pressures resulting in an all-round increase in costs especially of major construction materials, resulted in a squeeze on liquidity, higher interest costs leading to delays in projects, and delays in timely recoveries from clients. The impact led to pressures on the working capital and resulted in higher debt. There is no cost effective financing available for the longer duration which is the biggest challenge the infrastructure sector is facing today coupled with other issues. The Company is affected by these challenges which have in turn affected the profitability.

The management of the Company believes that the remuneration as previously approved by the members of the Company and paid/provided to Mr. Dinesh Valecha was justified in terms of his key role within the Company

Considering the above, the Nomination and Remuneration Committee and the Board have, at their respective meeting(s) held on 21st August, 2018, subject to the approval of the members of the Company, accorded their consent for waiver of the recovery of excess managerial remuneration paid/provided by the Company to Mr. Dinesh H. Valecha.

Except for Mr. Dinesh H. Valecha to whom the resolution relates and to his relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested in the aforementioned Special Resolution set out at Item no. 4 above.

The Board commends passing of the Special Resolution as set out in Item No. 4 for approval of the members.

41st Annual Report 2017-2018

Item No. 5

In the 40th Annual General Meeting held on 29th September, 2017 Mr. Tarun Dutta was appointed as Whole Time Director for a period of 1 year with remuneration as under:

Particulars	26.06.2017 to 26.06.2018 (per month)
Salary	5,00,000
Perks and Incentive	83,333
Total	5,83,333

HRA will be paid separately

The company had made applications to the Ministry of Corporate Affairs (MCA) for the payment of remuneration as aforementioned. However, the company is yet to receive communication from MCA in this regard.

The remuneration approved by the shareholders in their meeting held on 29th September, 2017, has been paid for the period from 26th June, 2017 to 31st March, 2018 and from 01st April, 2018 to 26th June, 2018.

Government inaction, delay in awarding projects, delays in clearances by various government agencies, inflationary pressures resulting in an all-round increase in costs especially of major construction materials, resulted in a squeeze on liquidity, higher interest costs leading to delays in projects, and delays in timely recoveries from clients. The impact led to pressures on the working capital and resulted in higher debt. There is no cost effective financing available for the longer duration which is the biggest challenge the infrastructure sector is facing today coupled with other issues. The Company is affected by these challenges which have in turn affected the profitability.

Mr. Tarun Dutta holds a degree in Bachelor of Engineering (B.E.-Civil) & Bachelor of Science (B.sc) specializing in advanced construction technology such as Tunnel, Road, Bridges, Hydropower and Irrigation projects. He has nearly three decades of experience in the Infrastructure sector. He has been associated with the Company as Senior President, Projects for the last 7 years. Mr. Tarun Dutta has been responsible for the overall construction activity along with Business Development, Estimation and Tendering. Under his supervision, the company has executed many prestigious projects throughout India. Considering his contribution, he was elevated to the position of Whole Time Director on 26th June, 2017.

The management of the Company believes that the remuneration as previously approved by the members of the Company and paid to Mr. Tarun Dutta was justified in terms of his key role within the Company.

Considering the above, the Nomination and Remuneration Committee and the Board have, at their respective meeting(s) held on 21st August, 2018, subject to the approval of the members of the Company, accorded their consent for waiver of the recovery of excess managerial remuneration paid by the Company to Mr. Tarun Dutta.

Except for Mr. Tarun Dutta to whom the resolution relates, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested in the aforementioned Special Resolution set out at Item no. 5 above.

The Board commends passing of the Special Resolution as set out in Item No. 5 for approval of the members.

Item No. 6

The Board of Directors of the Company, at its meeting held on 21st August, 2018, had, on the recommendation of the Audit Committee, considered and approved the appointment of M/s. Darshan Vora & Co. Cost Accountants (Membership No.36481) as the Cost Auditor of the Company for the Financial Year 2018-19 at a total remuneration of Rs. 1,00,000/- (Rupees One Lakh only) per annum plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses, if any, in connection with the Audit.

M/s. Darshan Vora & Co., Cost Accountants (Membership No.36481), have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year 2018-19.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board commends passing of the Ordinary Resolution as set out in Item No. 6 for approval of the members.

For and on behalf of the Board
For VALECHA ENGINEERING LIMITED

VIJAYKUMAR MODI
COMPANY SECRETARY & LEGAL

Place: Mumbai
Date: 21st August, 2018

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