VALECHA ENGINEERING LIMITED

(AN ISO 9001 - 2008 COMPANY)

VALECHA
REDEFINING INFRASTRUCTURE

Ref: VEL/997

9th December, 2016

BSE LIMITED P. J. Towers, Dalal Street, Mumbai – 400 001. **SCRIP CODE 532389**	**NATIONAL STOCK EXCHANGE OF INDIA LIMITED** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. **VALECHAENG**

Dear Sirs,

SUB : ANNUAL REPORT 2015-16 UNDER REGULATION 34 OF SEBI (LODR) REGULATIONS, 2015.

With reference to the above subject matter, we enclose herewith Annual Report for the year ended 2015-16.

Please acknowledge the same.

Thanking you,

Yours faithfully
For VALECHA ENGINEERING LIMITED

(VIJAYKUMAR MODI)
Company Secretary & Legal

Encl : as above.

Regd. Office: Valecha Chambers, 4th floor, Plot No. B-6, New Link Road, Andheri (W), Mumbai 400053, India.
CIN - L74210MH1977PLC019535
T: + 91-22-26733625 - 29, 26733238, 26733587 F: + 91-22-26733945 E: ho@valecha.in W: www.valechaeng.com

VALECHA
REDEFINING INFRASTRUCTURE

VALECHA ENGINEERING LIMITED

39TH ANNUAL REPORT
2015-2016

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
U. H. Valecha	—	Whole-time Director up to 10.08.2016
Kailas P. Chandore	---	Director w.e.f. 27.09.2016
Ashmi D. Sheth	---	Director w.e.f. 27.09.2016

Company Secretary & Legal: Vijaykumar H. Modi

Auditors: M/s. D. M. Jani & Co. 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

Solicitors: M/s. Bharucha & Partners

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; website: www.valechaeng.com

CONTENTS	Page Nos.
Notice	2
Directors' Report	7
Report on Corporate Governance	20
Management Discussion and Analysis Report	27
Independent Auditor's Report	28
Balance Sheet	34
Statement of Profit & Loss	35
Cash Flow Statement	36
Significant Accounting Policies	37
Notes on Financial Statement	39
Salient Features of Subsidiary	52
Consolidated Financial Statement	53
Attendance Slip / Proxy Form	73
Ballot Paper	75

NOTICE

Notice is hereby given that the Thitry Ninth Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on **Wednesday the 28th December, 2016 at 11.00 a.m.** at M. C. Ghia Hall, K. D. Marg, Kala Ghoda, 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, 2016, 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, 2016.

2. To appoint a Director in the place of Mr. Arvind Thakkar (DIN: 02208108) liable to retires by rotation and being eligible, offers himself for re-appointment.

3. To re-appoint Auditors and in this connection to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the retiring auditors M/s. D. M. Jani & Co., Chartered Accountants (Registration No. 104047W), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors/any committee of Board of Directors of the Company in consultation with the said auditor."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 (the Act) Mr. Kailas Chandore (DIN 07644193) who was appointed as an Additional Director w.e.f. **27th September, 2016** pursuant to Section 161 (1) of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company and shall hold office for a term of 5 years w.e.f. **27.09.2016**."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 (the Act) Mrs. Ashmi Sheth (DIN 07644493) who was appointed as an Additional Director w.e.f. **27th September, 2016** pursuant to Section 161 (1) of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company and shall hold office for a term of 5 years w.e.f. **27.09.2016**."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

6 . To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"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 ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) p.a. plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to **M/s Darshan Vora & Co. (Membership No.36481),** Cost Auditors of the Company, for the Financial Year 2016-2017, as approved by the Board of Directors of the Company, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such steps as may be necessary, proper or expedient to give effect to this resolution."

For and on Behalf of the Board
FOR VALECHA ENGINEERING LIMITED

VIJAYKUMAR H. MODI
COMPANY SECRETARY & LEGAL

Place : Mumbai
Date : 1st December, 2016

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.

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.

(B) The Register of Members and Share Transfer Books of the Company will remain closed from the **Wednesday, 21st December, 2016 to Wednesday, 28th December, 2016** (both days inclusive).

(C) 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.

(D) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends up to and including the financial year ended on 31st March, 2009 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 **7 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, 2010 to 31st March, 2014** 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.

(E) 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.

(F) 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.

(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 **20th December, 2016** so that the information required can be made available at the meeting.

(H) 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.

(I) 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 AGM along with Annual Report for the year ended 31st March, 2016 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 are 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, 2016 is available on the Company's website www.valechaeng.com.

(J) 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 Resolution proposed at AGM.

(K) Ms. Ragini Chokshi, Practicing Company Secretary (Membership no.2390), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

(L) 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.

(M) The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their voting again.

(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** in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, Ms. Ragini Chokshi, Practicing Company Secretary (Membership no.2390) at registered office of the Company not later than **Tuesday, 27th December, 2016** (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

E-voting instructions:

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

A. In case of Members who receive the Notice in electronic mode:

(a) Open e-mail and open PDF file viz. **'VALECHA remote e-voting.pdf'** with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.

(b) Launch internet browser by typing the URL: https://www.evoting.nsdl.com.

(c) Insert user ID and password as initial password stated in (a) above. Click on 'Login'.

(d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits/characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.

(e) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles and select the Electronic Voting Event Number (EVEN) of Valecha Engineering Limited.

(f) Now you are ready for remote e-voting as 'Cast Vote' page opens.

(g) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted.

(h) Upon confirmation, the message 'Vote cast successfully' will be displayed. Thereafter you will not be allowed to modify your vote.

(i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF format) of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested, to the Scrutinizer through e-mail at: mail@csraginichokshi.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in.

B. In case of Members who receive the Notice by post:

(a) User ID and initial password is provided in the admission slip for the AGM.

(b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to cast your vote.

C. Members already registered with NSDL for e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to cast your vote.

D. The period for remote e-voting starts at **9.00 a.m. on Sunday, 25th December, 2016** and ends at **5.00 p.m. on Tuesday, 27th December, 2016.** Remote e-voting shall be disabled by NSDL at **5.00 p.m. on Tuesday, 27th December, 2016.** During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date **Wednesday, 21st December, 2016** may request for login ID and password and cast their vote electronically.

E. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and remote e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com. You may also address your queries relating to remote e-voting to the e-mail ID: evoting@nsdl.co.in

F. 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 **Wednesday, 21st December, 2016**, the cut-off date.

(c) E-voting right cannot be exercised by a proxy.

(d) Ms. Ragini Chokshi, 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 39th AGM of the Company to be held on 28th December, 2016 and also will be 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 H. MODI
COMPANY SECRETARY & LEGAL

Place : Mumbai
Date : 1st December, 2016

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 102(1) of the Companies Act, 2013.

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Mr. Kailas Chandore (DIN 07644193) as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Mr. Kailas Chandore holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from Member signifying his intention to propose the appointment of Mr. Kailas Chandore as a Director of the Company.

Mr. Kailas Chandore is Post-Graduate Diploma in Financial Management with 20 years of experience in accounts, audit, taxation, banking and finance.

The Company has also received a declaration from Mr. Kailas Chandore confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Kailas Chandore is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Kailas Chandore fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.valechaeng.com.

Mr. Kailas Chandore is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Kailas Chandore are in any way, concerned or interested in the said resolution.

The resolution as set out in item No. 4 of this Notice is accordingly commended for your approval.

PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015
Brief details in respect of the Director seeking appointment/re-appointment at the Annual General Meeting

Name of Director	**Mr. Kailas Chandore**
DIN	07644193
Date of Birth	28-12-1976
Date of Appointment	27-09-2016
No. of Shares held	Nil

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Ms. Ashmi Devang Sheth (DIN:07644493) as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Ms. Ashmi Devang Sheth holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from Member signifying his intention to propose the appointment of Ms. Ashmi Devang Sheth as a Director of the Company.

Ms. Ashmi Devang Sheth is Bachelor in Home Science with specialization in Human Development & Family Studies.

The Company has also received a declaration from Ms. Ashmi Devang Sheth confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Ms. Ashmi Devang Sheth is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Ms. Ashmi Devang Sheth fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.valechaeng.com

Ms. Ashmi Devang Sheth is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Ms. Ashmi Devang Sheth are in any way, concerned or interested in the said resolution.

The resolution as set out in item No.5 of this Notice is accordingly commended for your approval.

PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015
Brief details in respect of the Director seeking appointment/re-appointment at the Annual General Meeting

Name of Director	**Ms. Ashmi Devang Sheth**
DIN	07644493
Date of Birth	05-12-1984
Date of Appointment	27-09-2016
No. of Shares held	Nil

Item No.6

The Board of Directors of the Company, at its meeting held on **27th September, 2016** has considered and approved the appointment of **M/s. Darshan Vora & Co. Cost Accountant** (**Membership No. 36481**) as the Cost Auditor of the Company for the Financial Years 2016-17 at a total remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

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 2016-17.

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.

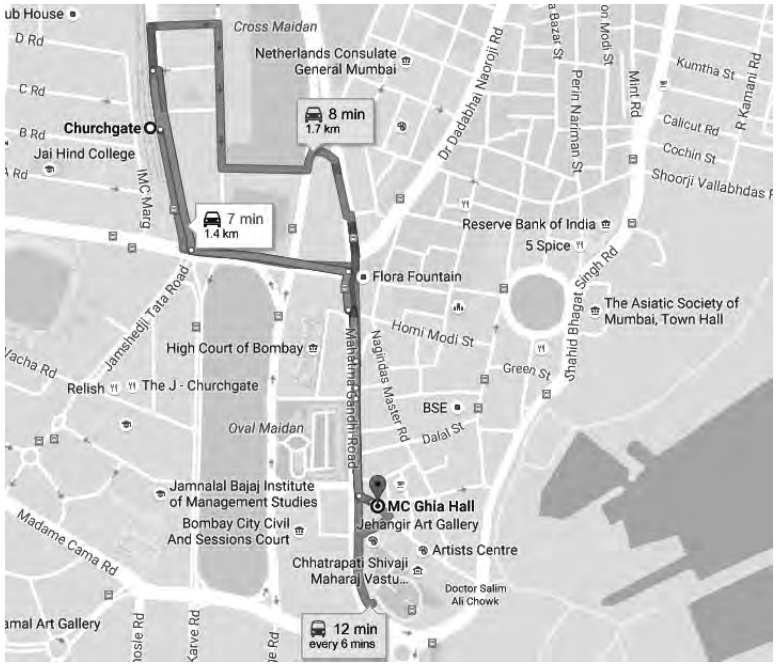
Your Directors, therefore, recommend the said Resolution at Item No.6.

For and on Behalf of the Board
FOR VALECHA ENGINEERING LIMITED

VIJAYKUMAR H. MODI
COMPANY SECRETARY & LEGAL

Place : Mumbai
Date : 1st December, 2016

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 Ninth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2016.

(₹ in lacs)

	Standalone		Consolidated	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Net Sales/Income from Operations	**70,833.27**	64,994.24	**75,044.91**	68,405.05
Other Income	**1,219.10**	1,217.17	**1,290.33**	1,328.46
Total Revenue	**72,052.37**	66,211.41	**76,335.24**	69,733.51
Less: Total Expenditure	**82,348.15**	64,599.34	**83,122.96**	65,066.58
Gross Profit Before Interest, Depreciation, Taxes and Extraordinary Income	**(1,029.78)**	1,612.07	**(6,787.22)**	4,666.93
Less: Interest	**6,220.39**	4,704.79	**12,088.61**	8,127.16
Profit/(Loss) Before Depreciation, Tax and Extraordinary Income	**(16516.17)**	(3,092.72)	**(18876.33)**	(3,460.23)
Less: Depreciation	**1,988.15**	2,829.05	**5,346.48**	4,674.11
Profit/(Loss) Before Extraordinary Income & Tax	**(18,504.33)**	(5,921.77)	**(24,222.81)**	(8,134.34)
Add: Extraordinary Income	**—**	—	**—**	—
Profit/(Loss) Before Tax	**(18,504.33)**	(5,921.77)	**(24,222.81)**	(8,134.34)
Provision for Tax:				
Current Tax	**—**	—	**—**	—
Deferred Tax	**(376.30)**	(535.88)	**(508.84)**	(674.43)
Profit/(Loss) After Tax	**(18,128.02)**	(5,385.89)	**(23,713.95)**	(7,459.91)
Minority Interest	**—**	—	**426.49**	539.21
Add: Balance Brought Forward from Last Year	**11,511.19**	17,479.89	**6,337.41**	13,840.92
Additional Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013	**—**	485.07	**—**	485.07
Prior Year adjustment for Taxes & Others	**(0.06)**	(97.74)	**(0.06)**	(97.74)
Profit for Appropriation	**(6,616.89)**	11,511.19	**(16,950.11)**	6,337.41
Appropriations:				
Balance Carried to Balance Sheet	**(6,616.89)**	11,511.19	**(16,950.11)**	6,337.41
	(6,616.89)	11,511.19	**(16,950.11)**	6,337.41

2. Dividend:

In view of the loss incurred during the year under review, the Board regrets its inability to recommend any dividend for the year ended 31st March, 2016.

3. Reserves:

Since the Company has made losses during the year, no amount is being transferred to reserves.

4. Operations/ State of affairs during the year:

During the current financial year, the Company has achieved the turnover of ₹ 70,833.27 Lacs against ₹ 64,994.24 Lacs resulting into a marginal increase by 8.98 %. The Company has incurred Post Tax Loss of ₹18,128.02 Lacs against the Loss After Tax of ₹ 5,385.89 Lacs.

Auditors' Report –Emphasis of Matters

The Company has incurred substantial losses from its operations during the current and previous year which has eroded its net-worth substantially. The Company has also incurred net operating cash loss during the current year. Further, the Company has defaulted in repayment of borrowing, defaulted in payment of statutory dues and there was loss of key management without replacement. These conditions, along with other matters set forth in Note 29, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statement of the Company have been prepared on a going concern basis for the reasons stated in the said note. Our opinion is not modified in respect of these matters.

Reply to Qualification in Audit Report

The accumulated losses for the year ended 31st March, 2016 have resulted in Company's erosion of more than 50 per cent of its peak net worth during the immediately preceding four financial years. However, the management is of the opinion that subject to approval of Restructuring Scheme by banks, the Company will be able to return to profitability over the next few years and may be in position to repay Loans and pay statutory dues. Hence, the financial statements have been prepared assuming that the Company and its subsidiaries will continue as a going concern. No adjustments are hence made in the financial statements that might result from the outcome of this uncertainly.

5. **Fixed Deposits:**

The company has discontinued, the deposit scheme in the financial year 2014-15 and no fresh deposits have been accepted during the year. Deposits outstanding as at 31st March, 2016 are: (i) at the beginning of the year – ₹ 4057.81Lacs (ii) at the end of the year – ₹ 3824.00 Lacs. The company has been undergoing financial crisis. The Directors of the company are in the process of considering and analyzing restructuring possibilities, including for the outstanding Fixed Deposits.

6. **Material changes and commitments:** There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. **Changes in the nature of business:** There is no change in the nature of business.

8. **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

SEBI – Vide Order dated 5th January, 2016 restrained the specified entities from raising capital from public and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, in any manner, whatsoever, for the definite period for each entity individually.

9. **Details of Subsidiary/Joint Ventures/Associate Companies:**

Valecha Infrastructure Limited, Valecha International FZE, Professional Realtors Pvt. Ltd., Valecha LM Toll Pvt. Limited, Valecha Badwani Sendhwa Toll Ways Limited and Valecha Kachchh Toll Roads Limited are 6 subsidiaries of the Company as at 31st March, 2016.

Except for the details given above, no other company has become or ceased to be Company's subsidiary, joint venture or associate company during the financial year

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.

A report on the performance and the financial position of the subsidiary companies as per Companies Act, 2013 forms part of the consolidated financial statement and hence not repeated here for the sake of brevity.

10. **Auditors' Report:**

There are no qualifications, reservation or adverse remark made by M/s D. M. Jani & Co., Statutory Auditors in their report for the financial year ended 31st March, 2016. Please refer item no. 4 (Supra).

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

11. **Re-appointment of Auditors:**

M/s. D. M. Jani & Co, Chartered Accountants (Firm Registration Number: 104047W), who are Statutory Auditors of the Company will hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2016-17. As required under the provisions of Section 139 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. D. M. Jani & Co. that their appointment, if made, would be in conformity with the limits specified in the said section.

Audit Committee:

The composition of the Audit Committee has been mentioned in the Corporate Governance Report annexed to this report.

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013, in terms of the Central Government's approval, the Board of Directors on the recommendation of the Audit Committee appointed **M/s Darshan Vora & Co (M/36481), Cost Accountant**, as the Cost Auditor of the Company for the year under review. The remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company. In view of this, ratification for payment of remuneration to the Cost Auditor is being sought at the ensuing Annual General Meeting.

M/s Darshan Vora & Co have confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013 and has certified that they are free from any disqualifications specified under Section 148(5) and all other applicable provisions of the Companies Act, 2013.

The said auditor has given their eligibility certificate for appointment as Cost Auditor.

Secretarial Auditors and their Report:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Ragini Chokshi & Co, Practicing Company Secretary (Membership no.2390), a firm of Company Secretaries in practice to undertake the Secretarial Audit for the financial year ended 31st March, 2016. Their Report is annexed as **Annexure - A** to this report.

In respect of comment of Secretarial Auditors, regarding Board composition, the Board of Directors have appointed two Directors viz Mr. Kailas Chandore as an Independent Director and Ms. Ashmi Sheth as an Independent Woman Director with effect from **27.09.2016.**

Mr. Vijaykumar H. Modi has been appointed as a Company Secretary & Legal/ Compliance Officer with effect from 1st October, 2016.

The Company is in the process of appointing Chief Financial Officer so as to comply with Section 203 of the Companies Act, 2013.

12. Directors:

Retirement by Rotation:

In accordance with the requirement of the Companies Act, 2013, Mr. Arvind Thakkar, Director (DIN 02208108) of the company is liable to retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment.

Mr. Umesh H. Valecha resigned on his own accord from the Board w.e.f. 10th August, 2016.

The Board of Directors at its meeting on the 27th September, 2016 have appointed Mr. Kailas Chandore (DIN:07644193) as Additional Director and Mrs. Ashmi Sheth (DIN: 07644493) as Additional Director (Woman Director) of the Company. The board, therefore, recommends their appointment as a director of the Company. A brief resume of them and other relevant information have been furnished in the notice convening the AGM.

Necessary resolutions for the aforesaid Directors for appointment/ re-appointment are being placed for approval of the members at the AGM.

The brief particulars of the concerned Directors have been provided in the Corporate Governance Report, pursuant to Clause 49 of the Listing Agreement./ SEBI (LODR) Regulations, 2015.

Declaration by Independent Directors:

Shri Arvind Maganlal Thakkar, Mr. Kailas Chandore and Mrs. Ashmi Sheth are an Independent Directors on the Board of the Company confirms that they meets the criteria of Independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement / SEBI (LODR) Regulations, 2015

All independent directors have given declaration that they meet the criteria of independence as provided in section 149 (6) of the Act, and Regulation 16 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances, which has affected their status as independent director. The non-executive directors of the company had no pecuniary relationship or transactions with the company.

In the opinion of the Board, they fulfill the conditions of independence as specified and are independent of the management.

13. Capital and Listing of Shares:

During the current year 2015-16 the Company allotted 30 Lacs shares on Preferential basis to FIIs/FPIs. Consequent upon the allotment of equity shares, the paid up share capital of the Company has been increased from ₹ 19.53 crores to 22.53 crores.

14. 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 Personnel of the Company. This helps in dealing with ethical issues and also in fostering a culture of accountability and integrity.

15. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134 of the Companies Act, 2013, and Rules thereunder:

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)

	2015-2016	2014-2015
Foreign Exchange Outgo	**Nil**	**2.11**
Foreign Exchange Earned	**Nil**	**Nil**

16. Particulars of Employees:

There are no employees drawing salary pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

17. Extract of the Annual Return:

The details forming part of the extract of the Annual Return in **Form MGT – 9** as required under Section 92 of the Companies Act, 2013, is marked as **Annexure - B** which is annexed hereto and forms part of the Directors' Report.

18. Corporate Social Responsibility (CSR): During the year under review in view of the loss incurred, Section 135 (1) of the Companies Act, 2013 is not applicable. The infrastructure sector, as a whole, is passing through the challenging times and your company is also facing this heat. In this challenging phase, the cash flows of the company have been adversely impacted. It is submitted that the company is trying hard and undertaking several steps to successfully going through this tough time. The Company is hopeful that in the near future, it will streamline its operations and provide its due share towards the betterment of the society by making the required contribution for the Financial Year 2014-15 in respect of CSR activities envisaged by the company.

19. Number of meetings of the Board of Directors:

The details of the number of meetings of the Board held during the Financial Year 2015-16 forms part of the Corporate Governance Report.

20. Details of establishment of vigil mechanism for directors and employees:

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement/SEBI (LODR) Regulations, 2015 the Company has framed a Vigil Mechanism/Whistle Blower policy to deal with unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Vigil Mechanism/Whistle Blower policy has also been uploaded on the website of the Company.

21. Nomination and Remuneration Committee:

The Company has a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees. The policy also lays down criteria for selection and appointment of Board Members. The details of this policy are given in the Corporate Governance Report.

22. Particulars of loans, guarantees or investments under Section 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

23. Particulars of contracts or arrangements with related parties:

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of the contracts or arrangements entered into by the Company with Related Parties have been done at arms length and are in the ordinary course of business.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

24. Risk Management:

Details on Risk Management has been mentioned in the Corporate Governance Report annexed to this report.

25. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

As required by Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, there were no cases filed pursuant to the aforesaid Act.

26. Corporate Governance:

The Company has complied with the Corporate Governance Code as stipulated under the Listing Agreement with the Stock Exchanges/ SEBI (LODR) Regulations, 2015. A separate section on Corporate Governance along with certificate from secretarial auditors confirming the compliance is annexed and forms part of the Annual Report.

27. Director's Responsibility Statement:

As required by Section 134 (3) (c) of the Companies Act, 2013 your Directors state that:

(a) In the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;

(b) The accounting policies adopted in the preparation of the annual accounts have been applied consistently. Reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2015-16 and of the Loss for the year ended 31st March, 2016.

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts for the year ended 31st March, 2016 have been prepared on a going concern basis.

(e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

(f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

28. 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 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
FOR VALECHA ENGINEERING LIMITED

DINESH VALECHA	**JAGDISH K. VALECHA**
Director	*Vice-Chairman-cum-Managing Director*

Place : Mumbai

Date : 1st December, 2016

ANNEXURE: A

FORM MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE PERIOD 01-04-2015 TO 31-03-2016

To,
The Members
VALECHA ENGINEERING LIMITED
Valecha Chambers" 4th Floor, Plot No.B-6,
Andheri New Link Road,
Andheri (West) Mumbai - 400053.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VALECHA ENGINEERING LIMITED (CIN : L74210MH1977PLC019535)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **VALECHA ENGINEERING LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period **1st April, 2015 to 31st March, 2016**("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1st April, 2015 to 31st March, 2016** according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**

f. The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client; **Not applicable as the Company has not issued any debt securities during the financial year under review.**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its Equity Shares from any stock exchange during the financial year under review.**

h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**

(vi) We have relied on the representation made by the Company and its officer for systems and mechanisms formed by the Company for compliance of the other specific Law, rules, regulations, bye-laws applicable to the infrastructure Company.

We have also examined compliance with applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

b) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. The Company has not complied with provision of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 in respect to the appointment of requisite number of Independent Directors on Board and it's committee.

2. The Company has not complied with provision of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 relating to the condition of having at least one woman directors on Board as on 31st March, 2016

3. The Company has not complied with provision of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 with respect to constitution of Audit Committee with respect to appointment of requisite numbers of independent and non-executive directors.

4. The Company has not complied with provision of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 with respect to constitution of proper Nomination and Remuneration Committee, with respect to appointment of requisite numbers of independent and non-executive directors.
5. The Company has not filed E-form MGT- 14 with MCA for the purpose as stated below:
   (a) Board resolution to avail term loan of ₹ 50 Crore from SICOM Limited, as per the provision of section 179 of the Companies Act, 2013.
   (b) Board resolution to avail inter-corporate deposit (ICD) of ₹ 20 crore from Aasan Developers & Construction Pvt. Ltd., as per provision of Section 179 of the Companies Act, 2013.
6. The Company has not complied with the provision of section 138 of the Companies Act, 2013 in respect to appointment of Internal Auditor for the F.Y. 2015-2016.
7. The Company has not complied with the provision of section 203 read to fill the vacancy of Chief Financial Officer (Key managerial personnel) caused by virtue of resignation of the existing Chief Financial Officer, w.e.f. 30th April, 2015 with in 6 months from the date of vacancy, which is not yet made by the Company till the date of our report.
8. The Company has made of approx. 62 days delay in filling the vacancy of Company Secretary (Key managerial personnel) caused by virtue of resignation of the existing Company Secretary w.e.f. 12th February, 2016, as the same was required to fill with in Six month from the date of resignation as per the provision of section 203 of the Companies Act, 2013.
9. We observe that provision of Section 178 of the Companies Act, 2013 are not complied With, as the same person was the chairman of the Company and Chairman of the Nomination & Remuneration Committee during the period under review.
10. We observe that provision of listing regulation 41 not Complied with to the extent of submission of unaudited quarterly results for the quarter ended on June 30, 2015 on 17/08/2015, i.e. delay by the 2 days.
11. The Company has not complied with the provision of Section 134 to the extent of signing of financial statement and Balance sheet of F.Y. 2014-2015 by the Chief Financial officer of the Company, as the Company was not having Chief Financial officer.
12. The Company has not submitted unaudited results and /or audited results for the 4th quarter ended on 31st March 2016 till the date of this report, as required in terms of regulation 33 of SEBI (LODR) Regulations, 2015.
13. The Company has not been filling Return of Foreign Assets & Liability Statement (FLA) to RBI for the F. Y. 2015-2016, as required in terms of RBI circular no. 145 dated 18/06/2014.

We further report that:

The Board of Directors of the Company is not properly constituted as the Company does not have prescribed number of independent directors and non executive director's in its Board and accordingly compliance pertaining to the constitution of various committees and the necessary functions and duties as required to be discharged by these committee and the Board with Independent Directors are not made during the year under report as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the Minutes of the meetings of the Board of directors or Committee of the Board as the case may be.

We further report that as represented by the Company and relied upon by us, there are adequate systems and processes in the company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guideline.

We further report that the Compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report during the period under review,

- SEBI vide its order WTM/RKA/EFD/-DRA- 1/9-11/2016 dated January 05, 2016 has banned the Company and its following associates entities from raising capital from public and further prohibit them from buying, selling or otherwise dealing in securities , directly or indirectly , in any manner, whatsoever, for the period as mentioned below:

Sr. No.	Name of the banned entity	Period of Ban
1	Valecha Engineering Limited	3 years
2	Mr. Jagdish K. Valecha (Director)	3 years
3	Valecha Investment Private Limited	3 years
4	Ms. Reena Valecha	1 years
5	Ms. Padma Valecha	1 years

For Ragini Chokshi & Co.
(Company Secretaries)

(Ragini Chokshi)
Partner
C.P.No.1436
FCS No.2390

Place: Mumbai
Date : 18/11/2016

Annexure –A

To,
The Members
VALECHA ENGINEERING LIMITED
Valecha Chambers" 4th Floor, Plot No.B-6,
Andheri New Link Road,
Andheri (West) Mumbai - 400053.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ragini Chokshi & Co.
(Company Secretaries)

(Ragini Chokshi)
Partner
C.P.No.1436
FCS No.2390

Place: Mumbai
Date : 18/11/2016

ANNEXURE: B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74210MH1977PLC019535
2.	Registration Date	5th March, 1977
3.	Name of the Company	VALECHA ENGINEERING LIMITED
4.	Category/Sub-category of the Company	Public Company / Limited by shares
5.	Address of the Registered office & contact details	Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053. Tel :022-2673 3625-29
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011. Tel : 022-66178554/66178548

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Roads and Other Project	4210	33.67
2.	Ground Engineering	4290	66.33

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Valecha Infrastructure Limited Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053.	U55101MH1995PLC084399	Wholly Owned Subsidiary Company	100%	2(87)(ii)
2.	Professional Realtors Private Limited Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053.	U45400MH2007PTC169197	Wholly Owned Subsidiary Company	100%	2(87)(ii)
3.	Valecha LM Toll Private Limited Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053.	U74900MH2010PTC202289	Subsidiary Company	74%	2(87)(ii)
4.	Valecha Badwani Sendhwa Toll Ways Limited Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053.	U45203MH2011PLC215905	Subsidiary Company	74%	2(87)(ii)
5.	Valecha Kachchh Toll Roads Limited Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053.	U45203MH2011PLC219600	Subsidiary Company	58%	2(87)(ii)
6.	Valecha Realty Limited Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053.	U70109MH2007PLC175404	Associate Company	49.90%	2(6)
7.	Bhubaneshwar Expressways Private Limited 37-38, Jain Bhawan 12, Bhagat Singh Marg New Delhi -110001	U45200DL2010PTC205121	Associate Company	40%	2(6)
8.	Aryavrat Projects And Developers Private Limited 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi -110029	U45400DL2007PTC169885	Associate Company	49%	2(6)
9.	Valecha Investments Private Limited Valecha Chambers, 4th Floor, New Link Road, Andheri (West), Mumbai-400 053.	U65990MH1982PTC828361	Associate Company	30.77	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholers	No.of Shares held at the beginning of the year i.e 01.04.2015				No.of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
	(a) Individuals / Hindu Undivided Family	507,092	0	507,092	2.60	67,703	0	67,703	0.30	-2.30
	(b) Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
	(c) Bodies Corporate	7,155,173	0	7,155,173	36.64	6,933,673	0	6,933,673	30.78	-5.86
	(d) Financial Institutions / Banks	0	0		0.00	0	0		0.00	0.00
	(e) Any Other (Specify)	0	0		0.00	0	0		0.00	0.00
	(f) Promoter Group	1,025,239	0	1,025,239	5.25	400,014	0	400,014	1.78	-3.47
	Sub-Total (A) (1)	**8,687,504**	**0**	**8,687,504**	**44.48**	**7,401,390**	**0**	**7,401,390**	**32.85**	**-11.63**
(2)	**Foreign**									
	(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0		0.00	0.00
	(b) Bodies Corporate	0	0	0	0.00	0	0		0.00	0.00
	(c) Institutions	0	0	0	0.00	0	0		0.00	0.00
	(d) Qualified Foreign Investor	0	0	0	0.00	0	0		0.00	0.00
	(e) Any Other (specify)	0	0	0	0.00	0	0		0.00	0.00
	Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)	**8,687,504**	**0**	**8,687,504**	**44.48**	**7,401,390**	**0**	**7,401,390**	**32.85**	**-11.63**
(B)	**Public Shareholding**									
	(1) Institutions									
	(a) Mutual Funds / UTI	0	10,012	10,012	0.05	0	10,012	10,012	0.04	-0.01
	(b) Financial Institutions / Banks	18,783	0	18,783	0.10	13,532	0	13,532	0.06	-0.04
	(c) Cental Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
	(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	(e) Insurance Companies	699,772	0	699,772	3.58	699,772	0	699,772	3.11	-0.48
	(f) Foreign Institutional Investors	500,000	0	500,000	2.56	521,287	0	521,287	2.31	-0.25
	(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	(i) Any Other (specify)									
	Foreign Institutional Investors - DR	371,250	0	371,250	1.90	371,250	0	371,250	1.65	-0.25
	Foreign Portfolio Investors - Corp	0	0	0	0.00	3,000,000	0	3,000,000	13.32	13.32
	Sub-Total (B) (1)	**1,589,805**	**10,012**	**1,599,817**	**8.19**	**4,605,841**	**10,012**	**4,615,853**	**20.49**	**12.30**
	(2) Non-Institutions									
	(a) Bodies Corporate									
	i) Indian	2,000,044	59,356	2,059,400	10.54	1,801,167	59,356	1,860,523	8.26	-2.29
	ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
	(b) Individuals -									
	i Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,383,209	181,537	3,564,746	18.25	5,454,485	175,914	5,630,399	24.99	6.74
	ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,129,787	141,073	3,270,860	16.75	2,760,439	141,073	2,901,512	12.88	-3.87
	(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	(d) Any Other									
	(i) Trust	0	0	0	0.00	0	0	0	0.00	0.00
	(ii) Directors & their relatives	347,698	0	347,698	1.78	120,348	0	120,348	0.53	-1.25
	Sub-total (B) (2)	**8,860,738**	**381,966**	**9,242,704**	**47.33**	**10,136,439**	**376,343**	**10,512,782**	**46.66**	**-0.66**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**10,450,543**	**391,978**	**10,842,521**	**55.52**	**14,742,280**	**386,355**	**15,128,635**	**67.15**	**11.63**
	TOTAL (A)+(B)	**19,138,047**	**391,978**	**19,530,025**	**100.00**	**22,143,670**	**386,355**	**22,530,025**	**100.00**	**0.00**

	Category of Shareholers	No.of Shares held at the beginning of the year i.e 01.04.2015				No.of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	(1) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
	(2) Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	19,138,047	391,978	19,530,025	100.00	22,143,670	386,355	22,530,025	100.00	0.00

IV) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) *(Contd.)*

ii) and iii) Share Holding of Promoters & Promoters Group/PAC and change

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2015)			Shareholding at the end of the year (as on 31.03.2016)			Net Changes	% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares		
1	Valecha Investment Private Ltd.	7,154,749	36.63	15.00	6,933,249	30.77	18.38	-221,500	-5.86
2	K P Valecha (HUF)	181,625	0.93	0.00	281,625	1.25	0.00	100,000	0.32
3	Madanlal Lilaram Valecha	405,225	2.07	0.00	54,427	0.24	0.00	-350,798	-1.83
4	Pavitra Ramchandra Valecha	37,000	0.19	0.00	37,000	0.16	0.00	0	-0.03
5	Ramchand Hemandas Valecha	110,072	0.56	0.00	21,481	0.10	0.00	-88,591	-0.47
6	Geeta Prakash Valecha	31,625	0.16	0.00	15,000	0.07	0.00	-16,625	-0.10
7	Kavita Vasudev Valecha	11,362	0.06	0.00	11,362	0.05	0.00	0	-0.01
8	Sharda Hariram Valecha	10,125	0.05	0.00	10,125	0.04	0.00	0	-0.01
9	Vasudev Pyarelal Valecha (HUF)	9,112	0.05	0.00	9,112	0.04	0.00	0	-0.01
10	Alka Vasudev Valecha	7,775	0.04	0.00	7,775	0.03	0.00	0	-0.01
11	Lata Vasudev Valecha	6,199	0.03	0.00	6,199	0.03	0.00	0	0.00
12	Dinesh H Valecha - Karta For Hariram Pyarelal Valecha (Huf) .	4,500	0.02	0.00	4,500	0.02	0.00	0	0.00
13	Bhavana Ramchand Valecha	82,850	0.42	0.00	3,375	0.01	0.00	-79,475	-0.41
14	Dinesh Valecha	2,812	0.01	0.00	2,812	0.01	0.00	0	0.00
15	Umesh Hariram Valecha	2,587	0.01	0.00	2,587	0.01	0.00	0	0.00
16	Gopaldas Vasudev Construction Pvt.Ltd.	424	0.00	0.00	424	0.00	0.00	0	0.00
17	Geeta Dinesh Valecha	337	0.00	0.00	337	0.00	0.00	0	0.00
18	Gopaldas Lilaram Valecha	164,000	0.84	0.00	0	0.00	0.00	-164,000	-0.84
19	Bela Madanlal Valecha	143,100	0.73	0.00	0	0.00	0.00	-143,100	-0.73
20	Jagdish Kishinchand Valecha (HUF)	118,000	0.60	0.00	0	0.00	0.00	-118,000	-0.60
21	Karan Jagdish Valecha	100,000	0.51	0.00	0	0.00	0.00	-100,000	-0.51
22	Kapil Jagdish Valecha	99,000	0.51	0.00	0	0.00	0.00	-99,000	-0.51
23	Vanita S Valecha	5,025	0.03	0.00	0	0.00	0.00	-5,025	-0.03
24	Jagdish Kishanchand Valecha	0	0.00	0.00	0	0.00	0.00	0	0.00
		8,687,504	**44.48**	**15.00**	**7,401,390**	**32.85**	**18.38**	**-1,286,114**	**-11.63**

iv) Shareholding Pattern of Top 10 Shareholders (Other than Director, Promoters and Holders of GDRS and ADRs):

Sr. No	Name	No of shares as on 31.03.2015	No of shares as on 31.03.2016	Net Changes	% to Capital
1	Hypnos Fund Limited	0	2000000	2000000	8.88
2	Em Resurgent Fund	0	1000000	1000000	4.44
3	Orange Mauritius Investments Limited	871,250	892,537	21287	0.09
4	Mahesh Awatrai Bhojwani	742,485	742,485	0	0.00
5	General Insurance Corporation Of India	699,772	699,772	0	0.00
6	Darshana Umakant Rege	300,000	361,000	61000	0.27
7	Globe Capital Market Ltd	4,425	272,808	268383	1.19
8	Sanjay R. Chhabria	225,000	225,000	0	0.00
9	Soni Gopal Valecha	136,100	136,100	0	0.00
10	Hiranand Harkishindas Dayaram	131,000	131,000	0	0.00
11	IL And FS Securities Services Limited	288,000	2,045	-285955	-1.27

v) **Shareholding of Directors and Key Managerial Personnel :**

Sr. No	Name of the Director/KMP	Shareholding at the beginning of the year (as on 01.04.2015)		Shareholding at the end of the year (as on 31.03.2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Jagdish Kishanchand Valecha	0	0.00	0	0.00
2	Dinesh H Valecha	2,812	0.01	2,812	0.01
3	Umesh Hariram Valecha	2,587	0.01	2,587	0.01
4	Arvind Maganlal Thakkar	347,698	1.78	120,348	0.53
5	Kavita Valecha Sharma - upto12.02.2016	11,362	0.06	11,362	0.05

V) **INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31,333.36	511.50	4057.81	35,902.67
ii) Interest due but not paid	237.39	--	--	237.39
iii) Interest accrued but not due	---	--	197.56	197.56
Total (i+ii+iii)	**31,570.75**	**511.50**	**4255.37**	**36,337.62**
Change in Indebtedness during the financial year				
* Addition	7,894.97	104.50	--	7,999.47
* Reduction	(5549.11)	--	(312.91)	(5,862.02)
Net Change	**2,345.86**	**104.50**	**(312.91)**	**2137.45**
Indebtedness at the end of the financial year				
i) Principal Amount	33,261.44	616.00	3,824.00	37,701.44
ii) Interest due but not paid	655.18	--	--	655.18
iii) Interest accrued but not due	--	--	118.46	118.46
Total (i+ii+iii)	**33,916.62**	**616.00**	**3,942.46**	**38,475.08**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Jagdish Valecha- Vice Chairman-cum-Managing Director	Dinesh Valecha- Whole Time Director	Umesh Valecha- Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	7.00	7.00	26.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.98	1.76	0.94	6.68
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-		-
5	Others, please specify	-	-		-
	Total (A)	**15.98**	**8.76**	**7.94**	**32.68**

B. Remuneration to other directors **(₹) Lakhs**

Sr. No.	Particulars of Remuneration	Arvind Thakkar	Total Amount
1	Independent Directors		
	Fee for attending board & committee meetings	0.10	0.10
	Commission	-	-
	Others, please specify	-	-
	Total (1)	**0.10**	0.10
2	Other Non-Executive Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	**0.10**	**0.10**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In Lacs)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	20.55	-	20.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.29	-	0.29
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**-**	**20.84**	**-**	**20.84**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

ANNEXURE-C

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD REPORT

Sr. No.	Particulars	Remarks
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.	
2	The Composition of the CSR Committee – Mr. Arvind Thakkar-Chairman, Mr. Kailas Chandore-Member and Mrs. Ashmi Sheth –Member	
3	Average net profit of the Company for last three financial years.	(₹ 4,80,15,001)
4	Prescribed CSR Expenditure (two per cent of the amount as in item no. 3 above).	N.A.
5	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	 N.A. N.A. N.A.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SI. No	CSR project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and the district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
N.A.							

*Give details of implementing agency:

1. In case the company has failed to spend the two percent of the average net profit of the last financial years or any part thereof, the reasons for not spending the amount in its Board Report. - N.A.
2. A responsibility statement of the CSR Committee that the implementation and monitoring or CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on Behalf of the Board
FOR VALECHA ENGINEERING LIMITED

DINESH VALECHA
Director

JAGDISH K. VALECHA
Vice-Chairman-cum-Managing Director

Place : Mumbai

Date : 1st December, 2016

REPORT ON CORPORATE GOVERNANCE

A compliance report on Corporate Governance is included in this Annual Report in compliance of Regulation 34(3) read with Schedule V Part C appended to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under erstwhile Clause - 49 of the Listing Agreement with the Stock Exchanges (hereinafter collectively termed as "said regulations")

1. Company's Philosophy on Code of Governance :

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and dedicate itself to increasing long-term shareholders value, keeping in view the need and interest of all its stakeholders' viz. customers, shareholders, employees, regulatory bodies, vendors, bankers etc.

2. Board of Directors:

- **Composition and size of the Board:**

  The present strength of the Board is Five (5) Directors. The Board comprises of Two (2) Executive and Three (3) are Non-Executive Directors including woman Director. Out of 5 (Five) Directors Two (2) are Executive & Non-Independent and 3 (Three) are Independent Directors. The members of the Board are acknowledged as businessmen and professionals in their respective fields. The Board is headed by Shri Arvind Thakkar, Non-Executive Chairman.

  Non-Executive Independent Directors bring independent judgement in the Board's deliberations and decisions.

- **Board Meeting and Attendance**

  During the year 2015-2016, the Board met 8 times, with at least one meeting in every quarter and with a gap of less than 120 Days between two meetings on the following dates, namely 2nd May, 2015, 30th May, 2015, 17th August, 2015, 30th September, 2015, 10th November, 2015, 7th January, 2016, 16th January, 2016 and 15th February, 2016.

  None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees in which he/she is a Director.

  The following table gives details of Directors, Attendance of Directors at the Board Meetings and the last Annual General Meeting, number of memberships held by Directors in the Board/Committees of various other companies:

Name	Category	DIN	Attendance particulars		Number of other Directorship and Committee Membership/Chairmanship		
			Board Meeting	Last AGM	Other Directorship (excluding Pvt. Ltd. Companies)	Committee Member-ship	Committee Chairman-ship
Mr. Arvind Thakkar	Non-Executive & Independent	02208108	2	Attended	—	—	3
Mr. Jagdish K. Valecha	Executive & Non-Independent	00013070	8	Attended	2	3	—
Mr. Dinesh H. Valecha	Executive & Non-Independent	00012945	7	Attended	2	3	—
Mr. Umesh H. Valecha Up to 10.08.2016	Executive & Non-Independent	00012991	4	Not Attended	1	—	—
Mr. G. Ramachandran Up to 04.04.2015	Non-Executive & Independent	00102506	Nil	N.A	—	—	—
Mr. Kailas P Chandore w. e. f. 27.09.2016	Non-Executive & Independent	07644193	Nil	N.A.	—	—	—
Mrs. Ashmi Sheth. w. e. f. 27.09.2016	Non-Executive & Independent	07644493	Nil	N.A	—	—	—

Details of Directors seeking appointment/reappointment at the 39th Annual General Meeting: (Pursuant to Clause 49 of the Listing Agreement):

1	Name	Arvind Thakkar	Kailas Chandore	Ashmi Sheth
	Age	72 years	40 years	32 years
	Qualifications	Chartered Accountant	Post Graduate Diploma in Financial Management	Specialization in human development and family studies
	Shareholding as on 31-03-2016	120348 (0.53%)	Nil	Nil
	Expertise	Over 43 years of experience in the finance, acquisition & mergers, cost and management accounting	Over 20 years of experience in the finance, accounts, audit, banking and tax matters	Over 10 years of experience in the human resources

	Other Directorship	Nil (Not a director in any other Indian Company)	Nil	Nil
	Committee Member/ Chairmanship	Chairman – Audit Committee (Valecha Engineering Ltd.) Chairman – Stakeholder's Relationship Committee (Valecha Engineering Ltd.)	Nil	Nil

3. Audit Committee: Terms of Reference in brief:

- The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee subject to Section 177 of the Companies Act, 2013 and said Regulations:
- Overseeing of the Company's financial reporting process and disclosure of financial information and financial/risk management policies.
- Review of Quarterly and Annual Financial Statements ensuring compliance with regulatory guidelines and auditors report thereon.
- Review of the adequacy of Internal Control Systems, discussion on significant Internal Audit findings including internal control and weakness, if any and risk management.
- Recommend appointment, removal of Statutory Auditors, Cost Auditors, Internal Auditors & their remuneration.
- Review and approval of material related parties' transactions and subsequent modification thereto.
- Review and approve appointment of CFO or any other person heading the finance function.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

As on 31st March, 2016 the Audit Committee consisted of Mr. Arvind Thakkar – Chairman, Mr. J. K. Valecha – Member and Mr. D. H. Valecha – Member.

The Audit Committee met 5 Times during the year 2015-2016: On 30th May, 2015, 17th August, 2015, 10th November, 2015, 16th January, 2016 and 15th February, 2016, the attendance of the members at the meeting was as follows:

Name of Directors	Category	No. of Meeting Attended
Mr. Arvind Thakkar	Non-Executive & Independent	1
Mr. Jagdish K. Valecha	Executive & Non-Independent	5
Mr. Dinesh Valecha	Executive & Non-Independent	5

The **Audit Committee** was re-constituted on 27th September, 2016 appointing Mr. Kailas Chandore and Mrs. Ashmi Sheth as members.

4. Nomination and Remuneration Committee:

The Committee's terms of reference include the following:

i. Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board his/her appointment and removal;

ii. Conduct the evaluation of every director's performance;

iii. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;

iv Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

v. Formulation of criteria for evaluation of independent directors and the Board;

vi. Devising a policy on Board diversity; and

vii. Any other matter as the Board may decide from time to time.

As on 31st March, 2016 the Remuneration Committee consisted of Mr. Arvind Thakkar – Chairman, Mr. Jagdish K. Valecha and Mr. Dinesh H. Valecha.

In compliance with Section 178 of Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and said regulations, a Nomination and Remuneration was re-constituted on 27th September, 2016 as under:

Mr. Arvind Thakkar - Chairman, Mr. Kailas Chandore – Member and Mrs. Ashmi Sheth- Member.

Remuneration of Directors for 01/04/2015 TO 31/03/2016:

(₹ in lacs)

Sr. No.	Name of Directors	Number of shares held as on 31.03.2016	Salary and Perquisites	Sitting Fees	Commission	Total
1.	Mr. Jagdish K. Valecha	0	15.98	-	-	15.98
2.	Mr. Dinesh H. Valecha	2812	8.76	-	-	8.76
3.	Mr. Umesh H. Valecha	2587	7.94	-	-	7.94
4.	Mr. G. Ramachandran	-	-	-	-	-
5.	Mr. Arvind Thakkar	120348	-	0.10	-	0.10
	Total		**32.68**	**0.10**	**-**	**32.78**

5. Stakeholder's Relationship Committee:

Stakeholders Relationship Committee specifically looks into redressing of Shareholders' and Investors' Complaints regarding transfer of shares, non-receipt of Dividend warrants and Annual Reports include enquiring into and redress complaints of Shareholders and Investors and to resolve the grievance of security holders of the Company.

All the requests / correspondence received during the financial year ended 31st March, 2016, were duly addressed by the Company / Registrar & Transfer Agent, TSR Darashaw Limited, appropriately. No queries are pending for resolution except where they are constrained by dispute or legal impediments or due to incomplete or non-submission of documents by the concerned Shareholders.

Name and Designation of the Compliance Officer: Mr. Vijaykumar H. Modi- Company Secretary & Legal.

As on 31st March, 2016 Stakeholder's Relationship Committee consisted of Mr. Arvind Thakkar – Chairman, Mr. Jagdish K. Valecha and Mr. Dinesh H. Valecha.

In compliance with Section 178 of Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and said regulations, a Stakeholder's Relationship Committee was re-constituted on 27th September, 2016 as under:

Mr. Arvind Thakkar - Chairman, Mr. Kailas Chandore –Member and Mrs. Ashmi Sheth- Member.

During the year under review, the Company had received 10 complaints from shareholders and the same have been redressed to their satisfaction.

6. Independent Directors' Meeting

During the year under review, the Independent Directors met on 15th February, 2016 *inter alia*, to:

(a) Review the performance of Non-Independent Directors and the Board as a whole;

(b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and

(c) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors attended the Meeting.

7. Familiarization programme for Independent Directors

As and when a new Independent Director is appointed, the Company takes steps to familiarize the Independent Director with the Company, his/her roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

The Directors are also explained in detail about the compliances required from them under the Companies Act, 2013, Clause 49 of the Listing Agreement / SEBI (LODR) Regulations, 2015 and other relevant regulations.

8. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of the working of its own performance, the Directors individually as well as evaluation of it's Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning.

The evaluation was done on various parameters such as vision and strategy, Board participation, Board disclosures of interests, review of risk management policies and evaluating plans with reference to risk and return, good governance, leadership skills, operations business development, human resource development, marketing and corporate communications etc. The Directors expressed their satisfaction with the evaluation process.

9. Corporate Social Responsibility Committee (CSR Committee)

Terms of reference: The Committee's terms of reference include:

(a) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and

(b) To provide guidance on various CSR activities to be undertaken by the Company and to monitor progress.

Since, the Company has incurred losses for the year under review, the provisions of the Section 135 of the Companies Act, 2013 is not applicable.

As on 31st March, 2016 Corporate Social Responsibility Committee consisted of Mr. Arvind Thakkar – Chairman, Mr. Jagdish K. Valecha and Mr. Dinesh H. Valecha.

In compliance with Section 178 of Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and said regulations, a Corporate Social Responsibility Committee was re-constituted on **27th September, 2016** as under:

Mr. Arvind Thakkar, Mr. Kailas Chandore and Mrs. Ashmi Sheth.

10. Risk Management Policy

The Company has set up a Risk Review Team ('Team') to review the risks faced by the Company and monitor the development and deployment of risk mitigation action plans. The Team reports to the Board of Directors and the Audit Committee who provide oversight for the entire risk management framework in the Company.

Accordingly, during the year, the Directors have reviewed the risk management policy and processes and also the risks faced by the Company and the corresponding risk mitigation plans deployed.

11. Details of establishment of Vigil Mechanism for directors and employees.

In compliance with the provisions of section 177(9) of the Companies Act, 2013 and the Company has a Vigil Mechanism to deal with unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy, if any.

12. Subsidiary Companies:

None of the Subsidiary Companies is covered under the term "material non listed Indian Subsidiary Company".

13. General Body Meetings:

The last three Annual General Meeting of the Company were held at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018 as follows:

Date	Time	Details of Special Resolution	Relevant Section
30th September, 2015	4.00 p.m.	Payment of remuneration to Mr. Jagdish Valecha	196,197,198 & 203
		Payment of remuneration to Mr. Dinesh Valecha	196,197 & 198
		Payment of remuneration to Mr. Umesh Valecha	196,197 & 198
29th September, 2014	4.00 p.m.	Remuneration to Non-Executive Directors Borrowing Power Creation of charges Office or place of profit	197 180 (1) (c) 180 (1) (a) 188
26th September, 2013	4.00 p.m.	Office or place of profit	314

Special Resolutions passed through Postal Ballot on 20.04.2015

a) To consider to issue and allot up to 30,00,000 (Thirty Lakh) equity shares of the Company on Preferential basis in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations").

b) To consider giving Loans/ Guarantees or providing securities and/or making investments by the company u/s 186 of the Companies Act 2013.

The aforesaid special resolutions were passed with requisite majority.

14. Disclosures:

1. There are no transactions of material nature that have been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company. Transactions with related parties are disclosed in notes to Accounts forming part of the Balance Sheet in the Annual Report.
2. The Director's Report includes details of Management Discussion and Analysis including Risks & Concerns.
3. Whistle Blower Policy: The Company takes cognizance of complaints made and suggestions given by the employees and others.
4. Save and except the approval and publishing Audited Financial Results as at 31st March, 2016, the other mandatory requirements as per Listing Regulation have been complied by the Company.

15. Means of Communication:

- Quarterly/Half yearly/Annual Financial Report results are published in leading English & Marathi newspapers.
- Quarterly, Half Yearly and Annual Financial Results of the Company immediately after approval of the Board are sent to the Stock Exchange together with a copy of Limited Review Report and Half-yearly Statement of Assets & Liabilities as applicable.
- All the data related to Quarterly, Annual Financial Results, Shareholding Pattern etc. are uploaded on company's website as required in terms of Listing Agreement.
- Management Discussion and Analysis Report forms part of the Annual Report.

16. Reconciliation of Share capital Audit Report:

A qualified practicing Company Secretary carried out a Reconciliation of Share capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of dematerialized shares held with NSDL and CDSL.

17. Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the same is posted on the Company's website "www.valechaeng.com". All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director has been obtained and is enclosed at the end of this report.

18. VEL Code of Conduct for Prevention of Insider Trading:

The Company has adopted a Code of Conduct for prevention of Insider Trading. This Code of Conduct is applicable to all Board Members and Senior Official of the Company.

19. General Shareholder Information:

AGM :	Wednesday , 28th December, 2016 11.00 a.m. M. C. Ghia Hall, 2nd Floor, K. D. Marg, Kala Ghoda, Mumbai - 400 023.

* Financial Calendar : April to March (Financial year)

First Quarter Results	–	2nd week of August
Second Quarter Results	–	2nd week of November
Third Quarter Results	–	2nd week of February
Annual Audited Result	–	Last week of May

* Book Closure : 21st December, 2016 to 28th December, 2016
(Both the days are inclusive)

* Listing on Stock Exchanges : BSE Limited
National Stock Exchange of India Limited

Listing on Stock Exchanges:

Name of Stock Exchange	Stock Code No.	Code on Screen
BSE Limited (BSE)	532389	VALECHAENG
National Stock Exchange of India Limited, (NSE)	—	VALECHAENG

* Market Price data:

Monthly high and low of quotations on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Month	BSE		NSE	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April, 2015	109.20	76.75	109.60	76.20
May, 2015	85.60	71.10	85.60	71.50
June, 2015	75.45	53.00	75.30	53.05
July, 2015	78.50	64.00	78.45	64.10
August, 2015	75.00	47.10	73.05	46.85
September, 2015	52.55	41.00	52.90	42.75
October, 2015	61.80	45.55	61.90	44.50
November, 2015	55.00	45.35	55.00	45.10
December, 2015	59.40	45.70	60.00	46.05
January, 2016	55.00	31.25	54.75	31.10
February, 2016	36.00	23.75	36.00	23.30
March, 2016	34.50	27.45	34.30	27.40

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

* Share Transfer System : The Company's Shares are traded in compulsory demat mode and are transferable through depository system. All the physical transfers received are processed by the registrar and transfer agents and approved by Share Transfers Committee, which meets at regular intervals.

* **Distribution of Shareholding : As on 31st March, 2016:**

Shareholding of Nominal Value		Shareholders		Share Amount	
₹	₹	No.	% To Total	₹	% To Total
1	5,000	12849	82.98	1961308	8.71
5,001	10,000	1331	8.60	1084069	4.81
10,001	20,000	640	4.13	969802	4.30
20,001	30,000	222	1.43	562035	2.49
30,001	40,000	111	0.72	395443	1.76
40,001	50,000	88	0.57	414693	1.84
50,001	1,00,000	129	0.83	971592	4.31
1,00,001	Above	115	0.74	16171083	71.78
TOTAL		**15485**	**100.00**	**22530025**	**100.00**

Share Holding Pattern as on 31st March, 2016			
Sr. No.	**Category**	**No. of Shares**	**%**
1.	Promoters (Promoter group)	7401390	32.85
2.	NRI's	1367298	6.07
3.	Bodies Corporate	1860523	8.26
4.	Financial Institution/Mutual Fund	723316	3.21
5.	Foreign Institution Investors	3892537	17.28
6.	Others:		
	Independent Directors	120348	0.53
	Shares held by Custodians issued against GDRs	0	0
	Indian Public	7164613	31.80
	TOTAL	**22530025**	**100.00**

* Dematerialization of Shares: As on 31st March, 2016, 98.29% of the Company's total shares representing 2,21,43,670 Shares were held in dematerialised form.

The Share are available in Demat form with:

1. Central Depository Services (India) Limited ISIN-INE624C01015
2. National Securities Depository Limited ISIN-INE624C01015

* Plant Location: The Company has various sites.

* Address for correspondence:

(1) Company:

VALECHA ENGINEERING LIMITED

"Valecha Chambers", 4th Floor,
Andheri New Link Road,
Andheri (West), Mumbai-400 053.
CIN : L74210MH1977PLC019535
Tel : 022 - 2673 3625 to 29
Fax : 022 - 2673 3945
E-mail : ho@valecha.in/investor.relations@valecha.in

(2) Registrar:

TSR Darashaw Limited

6-10 Haji Moosa Patrawala Ind. Estate
20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011.
CIN : U67120MH1985PLC037369
Tel. : 022-66568484
Fax : 022-66568494

For and on Behalf of the Board
FOR VALECHA ENGINEERING LIMITED

Place : Mumbai
Date : 1st December, 2016

DINESH VALECHA
Director

JAGDISH K. VALECHA
Vice-Chairman-cum-Managing Director

20. DECLARATION UNDER CODE OF CONDUCT:

It is hereby confirmed that all the Directors and Senior Management Personnel (i.e. one level below the executive directors, including all functional heads) of the Company have received, read and understood for compliance with the Code of Conduct framed by the Company and confirmations for the year ended 31.03.2016 have been obtained from the Directors and Senior Management Personnel of the Company.

For and on Behalf of the Board
FOR VALECHA ENGINEERING LIMITED

Place : Mumbai
Date : 1st December, 2016

JAGDISH K. VALECHA
Vice-Chairman-cum-Managing Director

PRACTICING COMPANY SECRETARY CERTIFICATE ON COMPLIANCE OF THE CONDITIONS OF THE CORPORATE GOVERNANCE

To,
The Members
VALECHA ENGINEERING LIMITED
Mumbai.

We have examined the compliance of conditions of Corporate Governance ***VALECHA ENGINEERING LIMITED,*** ("the Company"), for the year ended on March 31, 2016, as stipulated in Clause 49 of the erstwhile Equity Listing Agreement of the said Company with stock exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in provisions as specified in the Clause 49 of the erstwhile Equity Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for non-compliance under 49(II)(A)(1)/(2) of the erstwhile Equity Listing Agreement/ Regulation 17 of SEBI (LODR)Regulations, 2015, relating to the condition of having at least one women director and requisite number of Independent/Non-Executive directors, and consequently the Committee constitution of viz. Audit Committee/ Nomination & Remuneration Committee requirements were not met with during the period under review.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Ragini Chokshi& Co.
(Company Secretaries)

(Ragini Chokshi)
Partner
C.P.No.1436
FCS No.2390

Place: Mumbai
Date: 18th November, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **Indian Economy** As per Economic Survey FY16, India showed significant improvement in overall index of macroeconomic vulnerability. Since 2013, India's index has improved by 5.3 percentage points compared with 0.7 percentage point for China, 0.4 percentage point for all countries in India's investment grade (BBB), and a deterioration of 1.9 percentage points in the case of Brazil. As per the Central Statistics Office (CSO), the advance estimates of the growth rate of GDP at constant market prices are projected to increase to 7.6% in FY16 from 7.2% in Fy15.

   Consequent of the demonetization of ₹1000 and ₹ 500 currency notes and with the effective steps to curb the corruption and black money will definitely boost the Indian economy on a path of successful developing country.

2. **Infrastructure and Real Estates Industry**: The construction market contributes nearly 7 per cent to India's GDP. Further, by 2025, India's construction market is expected to emerge as the third largest in the world. The Government is the leading revenue generating segment for the construction market, led by various public infrastructure projects. The Government of India's "Make in India" campaign, the "smart cities" project and the "housing-for-all" scheme covered in over 300 cities is also expected to provide is necessary impetus for Infrastructure industry in the years to come.

3. **Opportunities and Threats/Risks and concerns:**

   The most important announcement pertains to the establishment of the National Infrastructure Investment Fund with a corpus of ₹ 200 billion. It will initially be funded by the government and in the future by raising debt to be invested in infrastructure finance companies such as the Indian Railway Finance Corporation and the National Housing Bank. Another noteworthy proposal is the conversion of existing excise duty on petrol and diesel.

   Most Infrastructure projects are of long duration with very long gesta period. Most projects also take a minimum of five years to stabilize operations. There is no cost effective financing available for the longer duration which is the biggest challenge the sector is facing today coupled with other issues like land acquisition, environmental clearances, law and order problem and rehabilitation and settlement issues.

4. **Segment wise performance & outcome:**

   The Company is involved in different segments of Infrastructure such as Highways & Expressways, Bridges & Tunnels, Airports, Irrigation Dams, Reservoirs & Canals, Railways, Foundation & Piling Works and Building Works and not restricted to one client thus spreading its risk. Also, the company is focused on niche markets where there is high growth potential such as underground tunneling and elevated structures with specialized equipment. During the financial year the Company has bagged projects worth more than ₹ 428 crores and got a high Pre-Qualification with government and private clients.

5. **Outlook:**

   India's increasing population, rapid urbanization, coupled with traffic congestion and the consequent demand for robust infrastructure have been the driving factors behind the growth of roads and bridge infrastructure.

   The major infrastructure projects initiated and fast tracked by the Indian Government in the railway, roadway sectors, NHDP, dedicated freight corridors, high speed passenger corridors, State capital connectivity, port connectivity and border area connectivity programmes and replacement of old bridges on safety issue are all contributing to the growth of infrastructure.

   Evidently, several new opportunities are opening up in infrastructure for developers, contractors, engineering consultants and others.

   The future looks even more bullish for various reasons.

   The increasing demands on infrastructure will see the implementation of mega and complex projects.

6. **Internal Control Systems and their adequacy:**

   The Company has appropriate and adequate internal control systems for its business processes at all sites with regard to efficiency of operations, accurate and prompt financial reporting, compliance with applicable Laws and Regulations etc.

   The Company continues to regularly evaluate and strengthen its Internal Control Systems to be commensurate with its size and growth.

7. **Discussion on financial performance with respect to Operation Performance:**

   During the current financial year, the Company has achieved the turnover of ₹ 70,833.27 Lacs against ₹ 64,994.24 Lacs resulting into a marginal increase by 8.98 %. The Company has incurred Post Tax Loss of ₹ 18,128.02 Lacs against the Loss After Tax of ₹ 5,385.89 Lacs.

8. **Human Resources/Industrial Relations:**

   Your Company continues to lay thrust on human resource development and the industrial relations at various project location remained harmonious and cordial. Over the years your Company's Human Resource policies are directed towards attaining, motivating, rewarding and retaining talent at all levels in the organization. Human Resource is recognized as most valuable asset of the Company that play vital role in attaining success for the organization today and in the years to come.

9. **Going Forward**

   As per the White Paper on Infrastructure Financing brought out by CRISIL Ratings and ASSOCHAM India in December, 2015, it is estimated that the country would need 31 lakh crores investment in infrastructure during 2015-20. The Paper estimates that about 70 per cent of this will be required in the power, roads and urban infrastructure sectors. The Paper further estimates that over two-thirds of the investment (seventy per cent) would need to be funded through debt and thirty per cent would be through equity.

   Apart from public investment, Government has taken steps to mobilize other sources of investment funds from various sources for development of basic infrastructure, including through the establishment of Infrastructure Debt Funds, Real Estate/Infrastructure Business Trusts (REITs/InvITs), relaxation in External Commercial Borrowing (ECB) and Foreign Direct Investment (FDI) norms, mainstreaming of Public Private Partnerships (PPPs), liberalization of lending norms by banks to infrastructure sector, relaxation of norms for Employees' Provident Funds Organization (EPFO)/pension funds investment in infrastructure sector, establishment of National Infrastructure Investment Fund (NIIF) etc. The Paper further estimates that over two-thirds of the investment would need to be funded through debt and thirty per cent would be through equity.

10. **Cautionary Statement:**

    Statement in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be interpreted as "forward-looking statements", but are stated as required under the applicable securities laws and regulations. Actual results could differ from those expressed or implied for many reasons including economic policy and conditions, market developments and changes in government regulations, tax laws and other statues and other incidental factors.

Independent Auditors' Report

To The Members of

M/s. Valecha Engineering Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **M/s. Valecha Engineering Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flow for the year ended on that date.

Emphasis of Matters

9. Note 29 in the Financial Statement indicate that the Company has incurred substantial losses from its operations during the current and previous year which has eroded its net-worth substantially. The Company has also incurred net operating cash loss during the current year. Further, the Company has defaulted in repayment of borrowing, defaulted in payment of statutory dues and there was loss of key management without replacement. These conditions, along with other matters set forth in Note 29 in the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

   Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

11. As required by section 143(3) of the Companies Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. The going concern matter described in Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f. On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

   i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements (Refer Note no. 28).

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **D. M. JANI & CO.**
Chartered Accountants
FRN : 104047W

DILIP M. JANI
Proprietor
Membership No. 017259

Place : Mumbai
Date : 1st December, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(g) of the independent Auditors' Report of even date to the members of Valecha Engineering Limited on the standalone financial statements for the year ended March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of **Valecha Engineering Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI, and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

   (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

   (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

   The Company is not having a full fledge ERP system to manage different operational activities. Accordingly, many of the operations, which would have been taken care by the system, required manual intervention and to that extent there are limitations in control system and processes.

   The discrepancies noticed due to the above weakness, were, however, rectified by the year end with manual intervention.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as of March 31, 2016, based on internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in Guidance Note issued by ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and this material weakness does not affect our opinion on the standalone financial statements of the Company.

For **D. M. JANI & CO.**
Chartered Accountants
FRN : 104047W

DILIP M. JANI
Proprietor
Membership No. 017259

Place : Mumbai
Date : 1st December, 2016

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 10 of the Independent Auditor's Report of even date to the members of Valecha Engineering Limited on the standalone financial statements for the year ended March 31, 2016.

i. In respect of fixed assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of the fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the Company.

ii. As explained to us, the physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. According to the information and explanations given to us, the Company has granted loans, secured or unsecured to companies in the register maintained under section 189 of the Companies Act, 2013, in respect of which

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayment or receipt of the principal amount and the interest are regular.

(c) Since the schedule of repayment has not been stipulated, the provisions of clause 3(iii)(c) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, during the year the Company has not accepted any deposit from the public, however defaulted in repayment of Deposits accepted in previous years amounting to ₹ 3,824 lakhs and cumulative interest thereon of ₹ 356.33 lakhs. Further, the Company has not complied with repayment schedule / order passed by the Company Law Board – New Delhi Branch heard on February 22, 2016 (Order passed under section 74(2) of the Companies Act Ref.C.P.NO. 05(MB) 2016).

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintained cost records as specified under Section 148(1) of the Act, in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether are accurate and complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has not deposited undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Cess and any other material statutory dues, as applicable, with the appropriate authorities. Provisions of Custom duty and Excise duty are not applicable to the Company. Statement of arrears of Statutory dues as on March 31, 2016 for the period of more than six months from the date they become payable, is as under:

₹ in Lakhs

Name of the Statute	Nature of Dues	Amount (₹)	Period of Which the amount relates	Due Date	Date of Payment	Remarks, (If Any)
The Income Tax Act, 1961	Tax Deducted at Source	192.35	April 2014 to March 2015	May 2014 to April 2015	Not Paid	-
	Tax Deducted at Source	460.83	April to September 2015	May to October 2015	Not Paid	-
	Total	**653.18**				
Employee State Insurance Act	Employers' Contribution	0.42	May to September 2015	June to October 2015	Not Paid	-
	Employees's Contribution	0.15	May to September 2015	June to October 2015	Not Paid	-
	Total	**0.57**				
MVAT ACT	MVAT Liability	106.89	April 2014 to March 2015	May 2014 to April 2015	Not Paid	-
	Total	**106.89**				
Provident Fund & Misc Act	Provident Fund-Employer's Contribution	55.09	April 2015 to September 2015	May to October 2015	Not Paid	-
	Provident Fund-Employee's Contribution	49.48	April 2015 to September 2015	May to October 2015	Not Paid	-
	Total	**104.57**				
Finance Act, 1994	Service Tax	34.88	April 2014 to March 2015	May 2014 to April 2015	Not Paid	-
	Service Tax	24.64	April to September 2015	May to October 2015	Not Paid	-
	Total	**59.52**				
Profession Tax Laws	Professional Tax	0.65	April 2015 to September 2015	May 2015 to October 2015	Not Paid	
	Total	**0.65**				

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable. Provisions of Custom duty and Excise duty are not applicable to the Company.

viii. According to the records of the Company examined by us and the information and explanation given to us, except for the loans, borrowings, and dues mentioned in the below table, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company does not have any debentures issued/ outstanding any time during the year.

₹ in Lakhs

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Term Loan				
Central Bank of India	3,600.00	225.00	3,825.00	30 to 151 Days
Syndicate Bank	-	345.00	345.00	30 to 156 Days
Yes Bank	-	84.46	84.46	1 to 31 Days
State Bank of Bikaner & Jaipur	190.00	23.68	213.68	30 to 59 Days
Srei Equipment Finance Ltd.	83.16	264.08	347.24	9 to 114 Days
Machinery Loan				
ICICI Bank Ltd	45.92	4.47	50.39	30 to 60 Days
Srei Equipment Finance Ltd.	20.00	9.02	29.02	23 to 83 Days
Vehicle Loan				
Axis Bank Ltd	7.64	0.34	7.98	60 to 122 Days
Working Capital Facilities				
State Bank of India	-	39.30	39.30	60 Days
Axis Bank Ltd	-	22.91	22.91	60 Days
Canara Bank	800.00	39.00	839.00	119 to 171 Days
Lakshmi Vilas Bank	-	34.33	34.33	32 Days
Total	**4,746.72**	**1,091.59**	**5,838.31**	

ix. According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer. During the year money raise by way of term loans have been applied by the Company for the purposes for which they were raised.

x. During the course of our examination of the books and record of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management, except for the following instance of fraud on the Company.

The Company has received order from Securities and Exchange Board of India (SEBI) on January 5, 2016 under section 11, 11B and 11(4) of the SEBI Act, 1992 Regulation 11 of the SEBI (Prohibition of Fraudulent And Unfair Trade Practices Relating to Securities Market) Regulations, 2003, which has restrain the Company from raising capital from public and further prohibit from buying, selling or otherwise dealing in securities, directly or indirectly, in any manner, whatsoever, for the period of three years from the date of Order.

xi. The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.

xii. As the Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, "Related Party Disclosures" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amount so raised have been used for the purposes for which the funds were raised.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For: **D. M. JANI & CO.**
Chartered Accountants **FRN : 104047W**

DILIP M. JANI
Proprietor
Membership No. 017259

Place : Mumbai
Date : 1st December, 2016

BALANCE SHEET AS AT 31st MARCH, 2016

(Amount in ₹)

PARTICULARS	NOTE NO.	As at 31st March, 2016		As at 31st March, 2015	
I **EQUITY AND LIABILITIES :**					
1. Shareholders' Funds:					
a) Share Capital	1	**22,53,00,250**		19,53,00,250	
b) Reserves & Surplus	2	**89,53,29,772**	**1,12,06,30,022**	2,43,71,65,026	2,63,24,65,276
2. Non Current Liabilities:					
a) Long Term Borrowings	3	**1,15,52,60,906**		1,51,95,81,064	
b) Deferred Tax Liabilities (Net)	4	**16,81,85,601**		20,58,16,523	
c) Other Long Term Liabilities	5	**2,26,12,03,432**	**3,58,46,49,939**	2,08,13,51,302	3,80,67,48,889
3. Current Liabilities :					
a) Short Term Borrowings	6	**1,12,24,35,520**		91,93,97,796	
b) Trade Payables	7	**1,65,73,86,472**		1,58,37,57,910	
c) Other Current Liabilities	8	**3,09,79,77,648**	**5,87,77,99,640**	2,27,40,52,737	4,77,72,08,443
Total			**10,58,30,79,601**		11,21,64,22,608
II **ASSETS :**					
1. Non Current Assets :					
a. Fixed Assets:	9				
Tangible Assets:			**78,14,50,859**		1,23,65,66,624
b. Non Current Investments	10		**1,34,46,26,186**		1,28,91,24,306
c. Long Term Loans & Advances	11		**2,01,84,759**		2,04,75,457
2. Current Assets :					
a. Inventories	12	**55,26,64,218**		51,24,88,349	
b. Trade Receivables	13	**2,56,07,15,771**		2,65,52,51,100	
c. Cash and Cash Equivalents	14	**56,88,83,004**		64,08,04,449	
d. Short Term Loans & Advance	15	**4,73,19,25,970**		4,74,91,72,589	
e. Other Current Assets	16	**2,26,28,834**	**8,43,68,17,797**	11,25,39,734	8,67,02,56,221
Total			**10,58,30,79,601**		11,21,64,22,608
Significant Accounting Policies and Notes on Financial Statements	**1 to 31**				

As per our report of even date
For **D.M.JANI & Co.**
Chartered Accountants
FRN : 104047W

For and on behalf of the Board

Dilip.M.Jani
Proprietor
Membership No. 017259

Vijay Kumar H. Modi
Company Secretary & Legal

Dinesh Valecha
Director
DIN : 00012945

Jagdish K.Valecha
Vice-Chairman-cum Managing Director
DIN : 00013070

Place : Mumbai.
Date : 1st December, 2016.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

	PARTICULARS	NOTE NO.	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
I	**INCOME**					
	Revenue from Operations	17		**7,08,33,26,891**		6,49,94,24,068
	Other Income	18		**12,19,10,195**		12,17,16,950
	Total Revenue			**7,20,52,37,086**		6,62,11,41,018
II	**EXPENSES**					
	Construction Expenses	19		**7,70,70,01,137**		5,97,13,62,629
	Changes in Inventories	19		**(4,01,75,868)**		6,94,06,367
	Employee Benefit Expenses	20		**22,15,99,444**		29,04,13,556
	Financial Cost	21		**62,20,39,287**		47,04,79,445
	Depreciation and Amortisation Expense	22		**19,88,15,634**		28,29,04,954
	Other Expenses	23		**34,63,90,563**		12,87,51,523
	Total Expenses			**9,05,56,70,197**		7,21,33,18,474
III	**PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEM & TAX**			**(1,85,04,33,111)**		(59,21,77,456)
IV	Extraordinary Item (Income)			**-**		-
V	**PROFIT / (LOSS) BEFORE TAX (III + IV)**			**(1,85,04,33,111)**		(59,21,77,456)
VI	**TAX EXPENSES / (BENEFITS)**					
	Current Tax		**-**		-	
	Deferred Tax / (Benefits)		**(3,76,30,922)**	**(3,76,30,922)**	(5,35,87,876)	(5,35,87,876)
VII	**PROFIT / (LOSS) FOR THE YEAR (V - VI)**			**(1,81,28,02,189)**		(53,85,89,580)
	Significant Accounting Policies and Notes on Financial Statements	**1 to 31**				
	Earning Per Share of face value of ₹ 10/- each - Basic & Diluted (In ₹)	**24**		**(81.36)**		(27.58)

As per our report of even date
For **D.M.JANI & Co.**
Chartered Accountants
FRN : 104047W

For and on behalf of the Board

Dilip.M.Jani
Proprietor
Membership No. 017259

Vijay Kumar H. Modi
Company Secretary & Legal

Dinesh Valecha
Director
DIN : 00012945

Jagdish K.Valecha
Vice-Chairman-cum Managing Director
DIN : 00013070

Place : Mumbai.
Date : 1st December, 2016.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

	Particulars	As at 31.03.2016	As at 31.03.2015
A	**Cash flow from Operating Activities**		
	Profit Before Tax and Extraordinary Items	**(1,85,04,33,111)**	(59,21,77,456)
	Add / (Deduct) Adjustment for :		
	Depreciation	**19,88,15,634**	28,29,04,954
	Financial cost	**62,20,39,2867**	47,04,79,445
	Rent from Property	**(4,41,26,365)**	(4,36,32,784)
	Interest Earned	**(4,72,00,951)**	(6,05,55,856)
	Loss / (Profit) on Sale of Fixed Assets	**9,13,132**	27,81,591
	Operating Profit Before Working Capital Changes	**(1,11,99,92,374)**	5,97,99,894
	Changes in Working Capital :		
	Trade and Other Receivables	**34,81,47,259**	(52,49,88,230)
	Inventories and Project In Progress	**4,97,35,031**	3,07,70,169
	Trade and other Payables	**69,44,67,974**	48,71,14,461
	Cash Generated From Operations	**(2,76,42,110)**	5,26,96,294
	Direct Taxes (Paid)	**(14,83,21,766)**	(1,19,91,729)
	Prior year adjustments	**(6,000)**	(97,74,104)
	Net Cash Flow from Operating Activities	**(17,59,69,876)**	3,09,30,461
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	**(5,16,48,151)**	(2,80,99,522)
	Proceeds from Sale of Fixed Assets	**30,65,08,084**	2,14,43,815
	Proceeds from Sale of Investments /(Purchase of Investment)	**(5,55,01,880)**	(32,64,55,955)
	Advance to Subsidiary companies	**(8,77,52,846)**	32,78,31,918
	Interest Earned	**4,72,00,951**	6,05,55,856
	Rent from Property	**4,41,26,365**	4,36,32,784
	Net Cash From Investing Activities	**20,29,32,523**	9,89,08,896
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Equity Share	**30,15,00,000**	-
	Proceeds from Long Term Borrowings	**4,19,98,471**	29,04,32,222
	Proceeds from / (Repayment of) Unsecured Borrowings	**(2,33,81,000)**	(6,51,13,387)
	Proceeds from Short Term Borrowings	**20,30,37,724**	5,25,76,227
	Financial Cost	**(62,20,39,287)**	(47,04,79,445)
	Dividend Paid	**-**	(1,46,47,519)
	Net Cash Used in Financing Activities	**(9,88,84,092)**	(20,72,31,902)
	Net Increase / (Decrease) in Cash and Cash Equivalents	**(7,19,21,445)**	(7,73,92,545)
	Opening Balance of Cash and Cash Equivalents	**64,08,04,449**	71,81,96,994
	Closing Balance of Cash and Cash Equivalents	**56,88,83,004**	64,08,04,449

As per our report of even date
For **D.M.JANI & Co.**
Chartered Accountants
FRN : 104047W

For and on behalf of the Board

Dilip.M.Jani
Proprietor
Membership No. 017259

Vijay Kumar H. Modi
Company Secretary & Legal

Dinesh Valecha
Director
DIN : 00012945

Jagdish K.Valecha
Vice-Chairman-cum Managing Director
DIN : 00013070

Place : Mumbai.
Date : 1st December, 2016.

SIGNIFICANT ACCOUNTING POLICIES

A Basis of accounting and preparation of financial statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts.

B Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/materialised.

C Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation. However, Fixed Assets which were revalued by the Company as on 31st March, 1992 are stated at their revalued amount. The cost of a Fixed Asset comprises its purchase price and any direct attributable cost for bringing the asset in an operational condition for its intended use.

D Depreciation and amortisation

(i) Depreciation on Fixed Assets is calculated on "Straight Line Method" at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013. w.e.f. 01.04.2014. Depreciation on Revalued Assets, is calculated on their respective book values, at the rates considered applicable by the valuers.

(ii) Free hold land is not depreciated.

E Inventories

The inventories of materials on hand at the end of the year are valued at lower of cost or net realisable value. The cost is being determined on First–In–First out method. The Work-in-progress is valued at Cost or Net Realisable value whichever is Lower.

F Investments

Long term Investments are stated at cost. It includes Office Premises in Valecha Chambers on which depreciation not provided for as Investment in properties in accordance with Accounting Standard (AS-13) issued by the Institute of Chartered Accountants of India.

G Revenue recognition

1 The Company follows the "Percentage of Completion Method" of accounting for all contracts in accordance with "Accounting Standard 7" - "Accounting for Construction Contracts" issued by the Institute of Chartered Accountants of India. The revenue from the execution of contracts is recognised proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred and after considering the total contract value and associated costs.

2 Contract prices are either fixed or subject to price escalation clause. Amounts due in respect of price escalation and/or variation in contract work approved by the customers are recognised as revenue only when there are conditions in the contracts for such claims or variations and/or evidence of the acceptability of the same from customers.

3 Uncertified work-in progress is recognised as revenues and is valued at the lower of cost and net realizable value upto the stage of completion. Cost includes direct material, labour cost and appropriate overheads.

4 Contracts executed in Joint Ventures / Consortium under work sharing arrangement are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed. In case where the contracts are executed independently by the Joint Ventures the share of profit / (Loss) is recognized as an income / (Loss) in the Books of account of the Company in the year in which the relative contract/s is/are completed / Income received.

5 Site development including initial expenses (shown in Project in progress) thereon is charged to the projects from the date of its revenue recognition.

6 Progress payments received are adjusted against amounts receivable from customers in respect of the contract of work performed.

7 Expected loss, if any, on the construction/projects, related activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration.

8 Amounts retained by the customers until the satisfactory completion of the contracts are recognised in the financial statements as receivables. Where such retention has been released by the customers against submission of Bank Guarantees, the amount so released is adjusted against receivables from the customers and the value of the Bank Guarantees is disclosed as contingent liability.

H Other income

All other Incomes accounted on accrual basis.

I Foreign currency transactions

Transactions denominated in Foreign Currency are normally recorded at Exchange Rate prevailing at the time of transactions. Current asset / Investments denominated in Foreign Currency are translated at the rate prevailing at the end of the year and the net gain / loss is recognised in the Statement of Profit and Loss.

J Employees' Benefits

Defined contribution Plan :

The Company's contribution to provident fund is charged to Profit and Loss account.

Defined benefit plan :

The Company's gratuity benefit scheme is a defined benefit plan. The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The Company's Liability towards Gratuity are determined using the projected credit method. Actual gain and losses are recognised immediately in the Statement of Profit and Loss account. Obligation is measured at the Present value of the estimated future cash flow using a discounted rate i.e. determined by the market yield at the Balance Sheet date.

The Company does not have scheme of leave encashment.

K Segment reporting

The Company considers its operations as one single segment i.e. "Construction Activity" and as such AS-17 is not applicable.

L Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

M Provision for Current and Deferred Tax

Current Tax :

Current Tax is the amount of Tax payable on the Taxable Income for the year as determined in accordance with provisions of Income Tax Act 1961.

Deferred Tax Provision :

Deferred Tax charge or credit is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted by the balance sheet date.

Deferred tax assets are recongnised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

N Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. However, out of the total Debtors of more than six months old of ₹ 18,026.09 lakhs the managament is of the opinion that an amount of ₹ 5.04 lakhs is doubtful of recovery. Hence, a provision for doubtful debts is provided for ₹ 5.04 lakhs during current financial year.

O Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is only indication of impairment based on internal / external factors. An assets is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
1	**SHARE CAPITAL**		
	Authorised		
	3,50,00,000 Equity Shares of ₹ 10/- each	**35,00,00,000**	35,00,00,000
	Issued, Subscribed & Fully Paid		
	2,25,30,025 (Previous Year 1,95,30,025) Equity Shares of ₹ 10/- each fully paid-up.	**22,53,00,250**	19,53,00,250
		22,53,00,250	19,53,00,250

Note 1 (a) Reconciliation of the number of equity shares and share capital :

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	₹	No. of Shares held	₹
Equity Shares :				
Shares outstanding at the beginning of the year	**1,95,30,025**	**19,53,00,250**	1,95,30,025	19,53,00,250
Add : Shares issued during the year	**30,00,000**	**3,00,00,000**	-	-
Shares outstanding at the end of the year	**2,25,30,025**	**22,53,00,250**	1,95,30,025	19,53,00,250

During the year the Company has issued 30,00,000 Equity shares on Preferential allotment basis of ₹ 10 each @ Premium of ₹ 90.50 each on 02.05.2015

Note 1 (b) Right, Preferences and restrictions attached to shares :

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each share holder is entitle for one vote per share. In the event of liquidation, the equity share holders are entitle to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

Note 1 (c) Shareholder holding more than 5% of equity shares as at the end of the year :

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	**Shareholding %**	No. of Shares	Shareholding %
Valecha Investment Pvt. Ltd.	**69,33,249**	**30.77**	71,54,749	36.64
Hypnos Fund Limited	**20,00,000**	**8.88**	-	-

		As at 31.03.2016		As at 31.03.2015	
2	**RESERVES AND SURPLUS**				
	a. Securities Premium Account				
	Balance as per last Balance Sheet	**84,09,37,635**		84,09,37,635	
	Add : Premium on 30,00,000 Nos. of Shares @ ₹ 90.50 issued during the year	**27,15,00,000**	**1,11,24,37,635**	-	84,09,37,635
	b. Revaluation Reserve:				
	Balance as per last Balance Sheet	**61,27,795**		66,54,860	
	Less: Depreciation on revalued assets	**5,27,065**	**56,00,730**	5,27,065	61,27,795
	c. General Reserve:				
	Balance as per last Balance-Sheet	**43,89,80,873**		43,89,80,873	
	Add: Transfer from surplus in Statement of Profit and Loss	**-**	**43,89,80,873**	-	43,89,80,873
	d. Surplus in Statement of Profit and Loss :				
	Balance as per last Balance Sheet	**1,15,11,18,723**		1,74,79,88,641	
	Add : Profit / (Loss) for the Year	**(1,81,28,02,189)**		(53,85,89,580)	
	Less : Additional Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013 (Ref Note No. 9)	**-**		4,85,06,234	
	Less : Prior Year Adjustments for Taxes & Others	**6,000**	**(66,16,89,466)**	97,74,104	1,15,11,18,723
			89,53,29,772		2,43,71,65,026

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
3	**LONG TERM BORROWINGS**		
	a. **Secured**		
	Term Loans :		
	i From Banks	**75,24,29,196**	1,18,19,37,528
	ii. From Financial Institutions	**29,76,56,710**	18,93,00,536
	b. **Unsecured**		
	i. Fixed Deposits	**10,51,75,000**	14,83,43,000
		1,15,52,60,906	1,51,95,81,064

3.1 Nature of Security and Terms of Repayment for Long Term Secured Borrowings

Nature of Security	Terms of Repayment
1) Term Loan with the outstanding balance of ₹ 175.55 lakhs (March 2015 : ₹ 325.53 lakh) is secured by exclusive charge on specific Machineries	Repayable in 48 monthly installments commencing from Dec 2012 and the last installment due in October 2016. Rate of Interest at 8.00% p.a
2) Term Loan with the outstanding balance of ₹ 5.26 Lakhs (March 2015 : ₹ 16.19 lakhs) is secured by exclusive charge on the vehicles	Repayable in 36 monthly installments with the last installment due in June 2016. Rate of Interest at 10.25% p.a.
3) Term Loan with the outstanding balance of ₹ 2.00 Lakhs (March 2015 : ₹ 10.94 lakhs) is secured by exclusive charge on the vehicles	Repayable in 36 monthly installments with the last installment due in May 2016. Rate of Interest at 10.75% p.a.
4) Term Loan with the outstanding balance of ₹ 2.44 Lakhs (March 2015 : ₹ 7.12 lakhs) is secured by exclusive charge on the vehicles	Repayable in 36 monthly installments with the last installment due in June 2016. Rate of Interest at 10.25% p.a.
5) Term Loan with the outstanding balance of ₹ 8.02 Lakhs (March 2015 : ₹ 14.72 lakhs) is secured by exclusive charge on the specific Machinery.	Repayable in 36 monthly installments with the last installment due in Dec. 2016. Rate of Interest at 10.60% p.a.
6) Term Loan fully paid during the year (March 2015 : ₹ 1438.57 lakh) it was secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a
7) Term Loan fully paid during the year (March 2015 : ₹ 2080.08 lakh) it was secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a
8) Term Loan fully paid during the year (March 2015 : ₹ 2151.34 lakh) it was secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a
9) Term Loan with the outstanding balance of ₹ 3712.16 lakhs (March 2015 : ₹ 3663.49 lakh) is secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 30 months payable in quarterly installment with the moratorium period of 12 months and thereafter the quarterly repayment on phased manner. Rate of interest at 12.50% p.a.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

3.1 Nature of Security and Terms of Repayment for Long Term Secured Borrowings

	Nature of Security	Terms of Repayment
10)	Corporate Loan with the outstanding balance of ₹ 1233.68 lakhs (March 2015 : ₹ 1558.60 lakh) is secured by exclusive charge on the specific immovable property along with the subservient charge on movable fixed assets & current assets	Repayable in 10 Quarterly Instalments with the moratorium period of Six months. Rate of interest at 13.10% p.a
11)	Term Loan with the outstanding balance of ₹ 6161.27 lakhs (March 2015 : ₹ 6216.37 lakh) is secured by first & exclusive charge on the project receivables for EPC from Rapti Nhar Nirman Mandal-II Irrigation Depart, Basti, Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 36 months payable in quarterly installment with the moratorium period of 12 months. Rate of interest at 12.25% p.a.
12)	Term Loan with the outstanding balance of ₹ 215.30 lakhs (March 2015 : ₹ 211.58 lakhs) is secured by exclusive charge on the property purchased	Repayable in 60 monthly installments with the last installment due in March 2019. Rate of Interest at 10.50% p.a
13)	Term Loan with the outstanding balance of ₹ 4201.21 lakhs (March 2015 : ₹ 5000.00 lakhs) is secured by first & exclusive charge on the specific immovable property & JSL & VIL Shares	Repayable in 18 quartely installments with the last installment due in Sept 2020. Rate of Interest at 12.15% p.a
14)	Term Loan with the outstanding balance of ₹ 4.27 lakhs (March 2015 : ₹ 6.36 lakhs) is secured by first & exclusive charge on the specific machine	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a
15)	Term Loan with the outstanding balance of ₹ 33.81 lakhs (March 2015 : ₹ 50.47 lakhs) is secured by first & exclusive charge on the specific vehicles	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a
16)	Term Loan with the outstanding balance of ₹ 24.92 lakhs (March 2015 : ₹ 37.20 lakhs) is secured by first & exclusive charge on the specific Machineries	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a
17)	Term Loan with the outstanding balance of ₹ 10.60 lakhs (March 2015 : ₹ 15.83 lakhs) is secured by first & exclusive charge on the specific Machineries	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a
18)	Term Loan with the outstanding balance of ₹ 72.80 lakhs (March 2015 : ₹ 85.41 lakhs) is secured by first & exclusive charge on the specific vehicles	Repayable in 46 monthly installments with the last installment due in July 2018. Rate of Interest at 10.50 % p.a
19)	Term Loan with the outstanding balance of ₹ 3677.22 Lakhs (March 2015 : ₹ Nil lakh) is secured by exclusive charge on the specific Machineries.	Repayable in 60 monthly installments commencing from Oct 2015 and the last installment due in Sept. 2020. Rate of Interest at 14.00 % p.a
20)	Term Loan with the outstanding balance of ₹ 3500.00 Lakhs (March 2015 : ₹ Nil lakh) is secured Against Bank Guarantees	Repayable in single payment on or before 07.08.2016 Rate of Interest at 13.75 % p.a
21)	Term Loan with the outstanding balance of ₹ 267.75 Lakhs (March 2015 : ₹ Nil lakh) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Oct 2015 and the last installment due in Sept 2018. Rate of Interest at 14.00% p.a

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

3.2 The Company has defaulted in repayment of loans and interest in respect of the following : ₹ In Lakhs

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Term Loan				
Central Bank of India	3,600.00	225.00	3,825.00	30 to 151 Days
Syndicate Bank	-	345.00	345.00	30 to 156 Days
Yes Bank	-	84.46	84.46	1 to 31 Days
State Bank of Bikaner & Jaipur	190.00	23.68	213.68	30 to 59 Days
Srei Equipment Finance Ltd.	83.16	264.08	347.24	9 to 114 Days
Machinery Loan				
ICICI Bank Ltd	45.92	4.47	50.39	30 to 60 Days
Srei Equipment Finance Ltd.	20.00	9.02	29.02	23 to 83 Days
Vehicle Loan				
Axis Bank Ltd	7.64	0.34	7.98	60 to 122 Days
Total	**3,946.72**	**956.05**	**4,902.77**	

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
4	**DEFERRED TAX LIABILITIES (Net)**		
	Deferred Tax Liabilities		
	Balance as per Last Balance Sheet	**20,58,16,523**	25,94,04,399
	Deferred tax Charged during the Year :-		
	a Difference between book depreciation and tax depreciaiton during the year	**(3,76,30,922)**	(5,40,95,607)
	b For provision for doubtfull debts	**-**	1,69,95,000
	c For deferred tax credit impact of schedule II of the compnay's Act	**-**	(1,64,87,269)
	Deferred tax Charged during the Year :-	**(3,76,30,922)**	(5,35,87,876)
	Deferred Tax Liabilities / (Assets)	**16,81,85,601**	20,58,16,523
5	**OTHER LONG TERM LIABILITIES**		
	a. Advance from Contractees	**36,94,82,760**	50,36,34,285
	b. Non Current Liabilities - Trade	**83,56,45,467**	72,06,08,015
	c. Non Current Liabilities - Others	**1,05,60,75,205**	85,71,09,002
		2,26,12,03,432	2,08,13,51,302
6	**SHORT TERM BORROWINGS**		
	From Banks : Secured		
	a. Working Capital Loans - Cash Credit Limits	**72,98,70,880**	75,78,91,165
	b. Short Term Facilities	**33,09,64,640**	11,03,56,631
	From Others : Unsecured		
	a. Other Short Term Loans	**6,16,00,000**	5,11,50,000
		1,12,24,35,520	91,93,97,796

6.1 The Company has defaulted in repayment of working capital facilities in respect of the following : ₹ In Lakhs

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Working Capital Facilities				
State Bank of India	-	39.30	39.30	60 Days
Axis Bank Ltd	-	22.91	22.91	60 Days
Canara Bank	800.00	39.00	839.00	119 to 171 Days
Lakshmi Vilas Bank	-	34.33	34.33	32 Days
Total	**800.00**	**135.54**	**935.54**	

i. Working capital loans are secured by hypothecation of book debts, current assets, unencumbered plant & machinery and specific immovable properties as per the sanction terms.

ii. Short Term Facilities from Banks are secured against the securities offered under the working capital loans.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
7	**TRADE PAYABLES**		
	Dues of Micro, Small and Medium Enterprises	**5,16,57,910**	1,86,20,000
	Others	**1,60,57,28,562**	1,56,51,37,910
		1,65,73,86,472	1,58,37,57,910

7.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under :

Particulars :	As at 31.03.2016	As at 31.03.2015
Principal amount due and remaining unpaid	**5,16,57,910**	1,86,20,000
Interest due on above and the unpaid interest *	**73,25,603**	-
Interest paid	**-**	-
Payment made beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay	**-**	-
Interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable in succeeding years	**-**	-
	5,89,83,513	1,86,20,000

* Provision for Interest is not made in the Books of account as same is in dispute.
The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in ₹)

			As at 31.03.2016	As at 31.03.2015
8	**OTHER CURRENT LIABILITIES**			
	a.	Current Maturities of Long Term Debts (Refer Note No. 3.1)	**1,28,07,40,663**	91,75,90,034
	b.	Current Maturities of Advance from Contractees	**68,42,18,988**	47,56,73,932
	c.	Current Maturities of Fixed Deposites (Refer Note No. 3.1)	**27,72,25,000**	25,74,38,000
	d.	Unclaimed Dividends *	**15,15,024**	15,83,940
	e.	Statutory Dues	**19,56,57,033**	17,66,64,392
	f.	Secured Advance from Contractees	**22,76,04,007**	22,72,59,536
	g.	Others	**43,10,16,933**	21,78,42,903
			3,09,79,77,648	2,27,40,52,737

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.

9. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				ACCUMALATED DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Addition	Deduction	As at 31.03.2016	As at 01.04.2015	For the Year	Adjustment	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets										
Land - Freehold	4,02,63,214	-		**4,02,63,214**	-	-	-	**-**	**4,02,63,214**	4,02,63,214
Buildings	3,64,64,803	-		**3,64,64,803**	1,13,75,592	6,33,938	-	**1,20,09,530**	**2,44,55,273**	2,50,89,211
Plant & Machinery	1,92,09,38,403	5,09,51,260	50,71,15,245	**1,46,47,74,418**	80,27,04,140	18,23,00,452	20,00,81,630	**78,49,22,962**	**67,98,51,456**	1,11,82,34,263
Furniture and Fixtures	6,52,60,514	6,96,891	-	**6,59,57,405**	5,62,38,203	43,18,738	-	**6,05,56,941**	**54,00,464**	90,22,311
Vehicles	15,91,57,027	-	10,06,624	**15,81,50,403**	11,51,99,403	1,20,89,571	6,19,023	**12,66,69,951**	**3,14,80,452**	4,39,57,625
Total	2,22,20,83,961	5,16,48,151	50,81,21,869	**1,76,56,10,243**	98,55,17,338	19,93,42,699	20,07,00,653	**98,41,59,384**	**78,14,50,859**	1,23,65,66,624
Previous Year	2,23,00,37,107	2,80,99,522	3,60,52,668	**2,22,20,83,961**	71,39,12,581	28,34,32,019	1,18,27,262	**93,70,11,103**	**1,23,65,66,624**	

1 Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April 2014, the useful life of fixed assets have been revised as prescribed there in. As a result, an amount of ₹ 485.06 lakhs representing assets whose useful life has already exhausted as on 1st April 2014 has been adjusted against retained earnings. During the year ₹ 485.06 is added to accumulated depreciation as at 01.04.2015. In respect of remaining assets additional depreciation amounting to ₹ Nil lakhs (Previous Year ₹ 1703.18 lakhs) has been charged for the Year ended 31.03.2016

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

10 NON CURRENT INVESTMENTS :

PARTICULARS	As at 31-03-2016		As at 31-03-2015	
	Qty. Nos.	Book value Rupees	Qty. Nos.	Book value Rupees
LONG TERM INVESTMENTS (AT COST)				
A. EQUITY SHARES : UNQUOTED & FULLY PAID				
The Saraswat Co-op. Bank Ltd. (Face Value ₹ 10/- each)	**2,500**	**25,000**	2,500	25,000
The Janakalyan Sahakari Bank Ltd. (Face Value ₹ 10/ each)	**50,000**	**5,00,000**	50,000	5,00,000
Valecha Chambers Condominium (Face Value ₹ 100/- each)	**37**	**3,700**	37	3,700
Varun Cements Ltd. (Face Value ₹ 10/- each)	**42,800**	**2,20,000**	42,800	2,20,000
Bhubaneshwar Express Ways Pvt Ltd (Face Value ₹ 10/- each)	**2,68,76,200**	**26,87,62,000**	2,68,76,200	26,87,62,000
Valecha Reality Ltd (Face Value ₹ 10/- each)	**24,950**	**2,49,500**	24,950	2,49,500
Aryavrat Tollways Pvt. Ltd. - Voting Shares (Face Value ₹ 10/- each)	**4,900**	**49,000**	4,900	49,000
Aryavrat Tollways Pvt. Ltd. - Non-Voting Shares (Face Value ₹ 10/- each)	**44,100**	**4,41,000**	44,100	4,41,000
		27,02,50,200		27,02,50,200
B. INVESTMENT IN SUBSIDIARY COMPANIES : UNQUOTED & FULLY PAID				
Valecha Infrastructure Ltd (Fully paid Equity Share Face Value ₹ 10/- each)	**50,000**	**5,00,000**	50,000	5,00,000
Valecha International (FZE) - (Fully paid Equity Share Face Value Dh 1,50,000 each)	**1**	**27,02,535**	1	25,50,465
Professional Realtors Pvt. Ltd. (Fully paid Equity Share Face Value ₹ 10/- each)	**10,000**	**1,80,45,000**	10,000	1,80,45,000
Valecha Kachchh Toll Roads Ltd. (Fully paid Equity Share Face Value ₹ 10/- each)	**3,98,35,000**	**39,83,50,000**	3,98,35,000	39,83,50,000
Valecha Kachchh Toll Roads Ltd. (Promotor's Contribution)		**57,45,00,000**	-	51,37,00,000
		99,40,97,535		93,31,45,465
C. INVESTMENT IN BUILDINGS		**8,02,78,451**		8,57,28,641
Abstract :				
A. Equity Shares : Unquoted		**27,02,50,200**		27,02,50,200
B. Investment In Subsidiary Companies : Unquoted		**99,40,97,535**		93,31,45,465
C. Investment in Buildings		**8,02,78,451**		8,57,28,641
Grand Total		**1,34,46,26,186**		1,28,91,24,306

(Amount in ₹)

	As at 31.03.2016		As at 31.03.2015	
11 LONG TERM LOANS & ADVANCES				
Unsecured and considered good ;				
Security Deposit		**2,01,84,759**		2,04,75,457
		2,01,84,759		2,04,75,457
12 Inventories (At lower of Cost or net realisable value) :				
Stock of Materials		**55,26,64,218**		51,24,88,349
		55,26,64,218		51,24,88,349

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

	As at 31.03.2016		As at 31.03.2015	
13 Trade Receivables ;				
a. Trade receivables outstanding for a period exceeding six months. ;				
Unsecured and considered good		**1,09,31,17,543**		69,00,99,400
Unsecured, considered doubtful		**-**		5,00,00,000
Less : Provision for Doubtful Debts		**-**		(5,00,00,000)
		1,09,31,17,543		69,00,99,400
b. Trade receivables outstanding for a period less than six months ;				
Unsecured and considered good		**1,46,75,98,228**		1,96,51,51,700
		2,56,07,15,771		2,65,52,51,100
14 Cash and Cash Equivalents :				
a. Cash on Hand		**78,35,844**		52,02,472
b. Bank Balances				
(i) Current Accounts		**12,97,28,363**		24,28,82,185
(ii) Unclaimed Dividend Accounts		**15,67,505**		16,36,421
(iii) In Deposit Accounts		**42,97,51,292**		39,10,83,371
(Lien against Bank Guarantees, Letter of Credits and EMDs.)				
		56,88,83,004		64,08,04,449
15 Short Term Loans & Advances :				
(Unsecured and considered good)				
a. Loans and Advances to Subsidiary Companies		**1,68,84,95,578**		1,60,07,42,732
b. Loans and Advances to Related Parties		**7,69,82,225**		7,45,29,046
c. Loans and Advances to Employees		**2,10,65,842**		1,17,67,521
d. Duties & Taxes Recoverable		**40,02,83,011**		31,47,75,468
e. Advances Recoverable in Cash or in kind or for value to be received		**1,42,10,14,812**		1,92,90,47,235
f. Deposits with Contractees & Others		**80,86,33,530**		65,11,81,381
g. Advance Income Tax Paid	**39,29,50,972**		24,46,29,206	
Less : Provisions for Income Tax	**7,75,00,000**	**31,54,50,972**	7,75,00,000	16,71,29,206
		4,73,19,25,970		4,74,91,72,589
16 Other Current Assets :				
Projects in Progress		**2,26,28,834**		11,25,39,734
		2,26,28,834		11,25,39,734

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

		Year Ended 31.03.2016		Year Ended 31.03.2015	
17	**REVENUE FROM OPERATIONS**				
	Revenue from Operation		**7,08,33,26,891**		6,49,94,24,068
			7,08,33,26,891		6,49,94,24,068
18	**OTHER INCOME**				
	a. Interest Income :				
	Interest on Fixed Deposits	**3,44,00,550**		3,67,50,820	
	Interest from Related Parties	**71,10,494**		1,16,47,503	
	Interest from Others	**56,89,907**	**4,72,00,951**	1,21,57,533	6,05,55,856
	b. Lease Rental Income		**4,41,26,365**		4,36,32,784
	c. Miscellaneous Income		**1,88,06,320**		97,25,669
	d. Foreign Exchange Fluctuation Gain		**1,17,76,559**		78,02,641
			12,19,10,195		12,17,16,950
19	**CONSTRUCTION EXPENSES**				
	a. Materials Purchase		**1,24,43,38,588**		2,06,71,68,222
	b. Sub-Contracting and Transportation Expenses.		**5,04,28,93,226**		2,87,86,97,875
	c. Power and Fuel		**6,97,43,254**		12,34,94,432
	d. Value Added Tax, Service Tax & Labour Cess		**13,42,33,216**		14,32,61,436
	e. Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		**13,54,71,482**		31,09,79,678
	f. Insurance		**1,29,84,208**		1,24,80,930
	g. Site Expenses		**1,06,73,37,163**		43,52,80,056
			7,70,70,01,137		5,97,13,62,629
	h. Changes in Inventories				
	Opening Stock	**51,24,88,349**		58,18,94,716	
	Less : Closing Stock	**55,26,64,217**	**(4,01,75,868)**	51,24,88,349	6,94,06,367
			7,66,68,25,269		6,04,07,68,996
20	**EMPLOYEE BENEFIT EXPENSES**				
	a. Salaries, Wages, and Bonus		**20,79,95,999**		27,57,14,726
	b. Contribution to Provident Fund, Gratuity and other funds		**1,27,75,451**		1,36,88,354
	c. Welfare Expenses		**8,27,994**		10,10,476
			22,15,99,444		29,04,13,556

Employees' Retirement and other Benefits :

Defined contribution Plan : The Company's contribution to provident fund ₹ 1,10,83,851/- (Previous ₹ 92,12,810/-) is charged to Statement of Profit and Loss.

Defined benefit plan : The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The Company's Liability towards Gratuity are determined using the projected credit method. Actual gain and losses are recognised immediately in the Statement of Profit and Loss. Obligation is measured at the Present value of the estimated future cash flow using a discounted rate i.e. determined by the market yield at the Balance Sheet date.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2016.

(Amount in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Changes in Present value of Obligations		
Present value of Obligations as at beginning of year	**1,79,10,986**	1,69,87,053
Interest Cost	**14,32,879**	13,58,964
Current Service Cost	**17,42,373**	16,46,329
Benefits paid	**(61,61,370)**	(45,84,694)
Actuarial (Gain)/Loss on Obligations	**(5,91,919)**	25,03,334
Present value of obligations as at end of year	**1,43,32,949**	1,79,10,986
Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	**1,27,28,508**	1,56,99,118
Expected return on plan assets	**10,30,532**	12,60,343
Contributions	**2,92,818**	3,53,741
Benefits paid	**(61,61,370)**	(45,84,694)
Actuarial (Gain)/Loss on Plan assets	**-**	-
Fair value of plan assets at the end of year	**78,90,488**	1,27,28,508
The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	**1,43,32,949**	1,79,10,986
Fair value of plan assets as at the end of the year	**78,90,488**	1,27,28,508
Funded status	**(64,42,461)**	(51,82,478)
Liability / (Assets) recognised in balance sheet	**64,42,461**	51,82,478
Expenses Recognised in statement of Profit and Loss		
Current Service Cost	**17,42,373**	16,46,329
Interest Cost	**14,32,879**	13,58,964
Expected return on plan assets	**(10,30,532)**	(12,60,343)
Net Actuarial (Gain)/Loss recognized in the year	**(5,91,919)**	25,03,334
Expenses recognized in statement of Profit and Loss	**15,52,801**	42,48,284

(Amount in ₹)

	Year Ended 31.03.2016		Year Ended 31.03.2015	
21 FINANCIAL COST :				
Interest Expenses				
a. Banks		**32,00,75,049**		26,35,73,723
b. Financial Institutions		**15,77,51,758**		6,47,34,100
c. Others				
Related Parties	**1,18,677**		-	
Other Parties	**14,40,93,803**	**14,42,12,480**	14,21,71,622	14,21,71,622
		62,20,39,287		47,04,79,445
22 DEPRECIATION & AMORTISATION EXPENSE				
Depreciation & Amortisation		**19,93,42,699**		28,34,32,019
Less : Depreciation on Revalued assets charged to Revaluation Reserves		**5,27,065**		5,27,065
		19,88,15,634		28,29,04,954

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

		Year Ended 31.03.2016	Year Ended 31.03.2015
23	**OTHER EXPENSES**		
a.	Rates and taxes	**38,72,824**	67,23,871
b.	Printing and stationery	**5,80,689**	7,94,220
c.	Telephone and Postage	**17,32,400**	17,44,427
d.	Advertisement	**1,50,390**	1,06,139
e.	Traveling and conveyance	**6,57,617**	3,05,350
f.	Business promotion	**7,75,924**	6,26,871
g.	Electricity charges	**14,92,148**	17,92,649
h.	Professional Fees	**1,78,14,209**	1,64,48,277
I.	Office Maintenance	**77,43,614**	89,42,847
j.	Tender Expenses	**13,97,800**	17,47,523
k.	Bank charges	**1,32,63,737**	1,64,41,054
l.	Directors Remuneration	**32,68,634**	1,62,56,083
m.	Commission to Non-executive Directors	**-**	3,00,000
n.	Payments to Auditor	**25,36,297**	16,52,250
o.	General expenses	**15,74,842**	20,88,371
p.	Loss on sale of assets	**9,13,132**	27,81,591
q.	Provision for Doubtful Debts	**-**	5,00,00,000
r.	Bad Debts W/Off	**28,86,16,306**	-
		34,63,90,563	12,87,51,523
23.1	**Payment to Auditor**		
	Audit Fees	**20,00,000**	13,00,000
	Certification and Other Services including Service Tax	**5,36,297**	3,52,250
		25,36,297	16,52,250
24	**Earning Per Share**		
1	Net Profit After Tax (With Extraordinary Income)	**(1,81,28,02,189)**	(53,85,89,580)
	Less : Extraordinary Income	**0**	0
2	Net Profit After Tax & Extraordinary Income	**(1,81,28,02,189)**	(53,85,89,580)
3	Weighted average Number of shares for Basic EPS (Numbers)	**2,22,80,025**	1,95,30,025
4	Weighted average Number of shares for Diluted EPS (Numbers)	**2,22,80,025**	1,95,30,025
5	Basic & Diluted Earning Per share (Per Equity Shares of ₹ 10/- each)	**(81.36)**	(27.58)

25 Expenditure in Foreign Currency (Amount in ₹)

	Particulars	As at 31.03.2016	As at 31.03.2015
i.	C.I.F. Value of Imports		
	(a) Capital Goods	-	-
	(b) Components & Spare Parts	-	-
ii.	Technical & Engineering Fees	-	2,10,877
iii.	Travelling & Other Expenses	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

26 Related Party Disclosures

Disclosure as required by the Accounting Standard 18 " Related Party Disclosures " are given below :

		Name of the Related Party	Nature of Relationship	% of Profit
(A)		**Particulars of Subsidiary and Associate Companies**		
	1	Valecha Infrastructure Ltd.	Subsidiary Company	100%
	2	Valecha International (FZE)	Subsidiary Company	100%
	3	Professional Realtors Pvt. Ltd.	Subsidiary Company	100%
	4	Valecha Kachchh Toll Roads Ltd.	Subsidiary Company	58%
	5	Valecha LM Toll Pvt. Ltd.	Step-Down Subsidiary Company	74%
	6	Valecha Badwani Sendhawa Toll Ways Ltd.	Step-Down Subsidiary Company	74%
	7	Valecha Reality Ltd.	Associate Company	49.90%
	8	Bhubaneshwar Express Ways Pvt. Ltd.	Associate Company	40%
	9	Aryavrat Projects & Developers Pvt. Ltd.	Associate Company	49%
	10	Gopaldas Vasudev Construction Pvt. Ltd.	Associate Company	Nil
	11	Valecha Investment Pvt. Ltd	Associate Company	Nil
	12	Valecha Power Ltd.	Associate Company	Nil
	13	Valecha Gulf Contracting & Foundations L.L.C.	Associate Company	Nil
(B)		**Particulars of Joint Ventures**		
	1	Ashoka Buildcon - VEL (Joint Venture)	Joint Venture Member	
	2	Valecha - ECCI (Joint Venture)	Joint Venture Member	
	3	Valecha - SGCCL (Joint Venture)	Joint Venture Member	
	4	Valecha - Transtonnelstroy (Joint Venture)	Joint Venture Member	
	5	KSSIIPL - VEL (JV)	Joint Venture Member	
	6	Valecha - VKJ (JV)	Joint Venture Member	
	7	Valecha - Shivalaya - Intradel (JV)	Joint Venture Member	
(C)		**Key Management Personnel**		
	1	Arvind Thakkar	Chairman	
	2	Jagdish K. Valecha	Managing Director	
	3	Umesh H. Valecha	Whole Time Director	
	4	Dinesh H. Valecha	Whole Time Director	
(D)		**Others**		
	1	Kavita Valecha Sharma	Company Secretary	
	2	Karan Jagdish Valecha	Relative of Key Management Personnel	
	3	Kapil Jagdish Valecha	Relative of Key Management Personnel	

Note : Related party relationship is as identified by the Company and relied upon by the Auditor.

(Amount in ₹)

(E)	Transactions with Associate Companies	**2015-16**	2014-15
1	Equity Contribution	**-**	-
2	Deposit / Loans / Repayment received during the year	**2,51,20,000**	11,72,02,000
3	Deposit / Loans given / Repaid during the year	**2,75,73,178**	6,55,85,346
4	Interest Received	**71,10,494**	1,16,47,503
5	Interest Paid	**1,18,677**	-
6	Outstanding Balance - Amount Receivables / (Payable)	**7,69,82,225**	7,45,29,046
(F)	Transactions with Subsidiary Companies		
1	Equity Contribution	**-**	10,00,00,000
2	Promotor Contribution / Application Money	**6,08,00,000**	18,56,00,000
3	Deposit / Loans / Repayment received during the year	**44,43,402**	83,45,28,074
4	Deposit / Loans given / Repaid during the year	**9,21,96,248**	45,97,60,819
5	Outstanding Balance - Amount Receivable	**1,68,84,95,578**	1,60,07,42,732

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

(G)	Transactions with Joint Ventures		
1	Sales	**39,06,95,174**	61,39,19,715
2	Advance received during the year	**1,40,07,000**	14,23,46,939
3	Advance repaid during the year	**4,09,00,000**	12,64,25,067
4	Outstanding Balance - Amount Receivables	**33,36,62,355**	36,93,61,712
5	Outstanding Balance - Amount Payables	**36,63,55,734**	39,32,48,734
(H)	Transactions with Persons referred to in Item (C) above		
1	Remuneration paid during the year	**32,68,634**	1,62,56,083
2	Sitting Fees	**10,000**	10,000
3	Commission	**-**	3,00,000
(I)	Transactions with Other Persons		
1	Remuneration paid during the year	**63,56,919**	63,54,394

The Share of Companies Income / Expenditure and Receivables / Payables in case of contracts executed in Joint Venture / Consortium under the work Sharing arrangements are reflected in the books of account of the Company under the relevant heads of account, Hence not considered again for above Disclosure

27 Disclosure required by schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 :

(a) Loans given

(Amount in ₹)

Loans given to Subsidiaries	**Year ended 31.03.2016**	**Maximum Balance during the year**	Year ended 31.03.2015	Maximum Balance during the year
Valecha Infrastructure Ltd.	**1,24,35,44,220**	**1,24,31,56,946**	1,20,15,18,540	1,58,25,62,051
Valecha International (FZE)	**20,65,86,369**	**20,65,86,369**	19,49,61,880	19,49,61,880
Professional Realtors Pvt. Ltd.	**22,74,581**	**22,74,581**	20,84,588	20,84,588
Valecha Kachchh Toll Roads Ltd.	**(1,03,49,694)**	**4,75,46,810**	(71,23,578)	2,51,46,235
Valecha LM Toll Pvt. Ltd.	**21,36,90,831**	**21,36,90,831**	17,57,44,745	17,57,44,745
Valecha Badwani Sendhawa Toll Ways Ltd.	**3,27,49,272**	**3,28,49,025**	3,35,56,556	3,27,38,035
Total	**1,68,84,95,579**	**1,74,61,04,562**	1,60,07,42,732	2,01,32,37,534

Loans given to Associate Companies	**Year ended 31.03.2016**	**Maximum Balance during the year**	Year ended 31.03.2015	Maximum Balance during the year
Gopaldas Vasudev Construction Pvt. Ltd.	**(81,04,670)**	**45,64,618**	41,53,944	41,53,944
Valecha Investment Pvt. Ltd.	**7,27,94,713**	**8,25,94,713**	5,82,76,083	12,26,65,303
Valecha Gulf Contracting & Foundation L.L.C.	**93,89,313**	**93,89,313**	93,89,313	93,89,313
Valecha Power Ltd.	**1,14,641**	**1,14,641**	1,07,896	1,07,896
Valecha Reality Ltd.	**27,88,227**	**27,88,227**	26,01,810	26,01,810
Total	**7,69,82,224**	**9,94,51,512**	7,45,29,046	13,89,18,266

All above loans have been given for business purpose

(b) Investments are shown under respective head. (Refer Note 10)

(c) Corporate Guarantees given

(₹ in Lakhs)

Name of the Company	**As at 31.03.2016**	As at 31.03.2015
Valecha LM Toll Pvt. Ltd.	**20,310**	21,100
Valecha Badwani Sendhawa Toll Ways Ltd.	**5,893**	6,374
Valecha Kachchh Toll Roads Ltd.	**37,532**	30,250
Total	**63,735**	57,724

28 Contingent Liabilities

Contingent Liabilities are not provided for and are disclosed by way of notes : (₹ In Lakhs)

Sr. No.	Particulars	2015-16	2014-15
1	Outstanding Letter of Credits / Bank Guarantee	**30,607.47**	33,755.99
2	Dispute with Suppliers	**210.28**	69.03
3	Corporate Guarantees	**63,735.00**	57,724.00
4	Counter Guarantees	**60,788.00**	54,537.00
5	Corporate Guarantees of Minority Share Holders	**766.22**	828.62

29 The accumulated losses for the year ended 31st March, 2016 have resulted in Company's erosion of more than 50 percent of its peak net worth during the immediately preceding four financial years. However, the management is of the opinion that subject to approval of Master Restructuring Agreement by banks, the Company will be able to return to profitability over the next few years and may be in position to repay Loans and pay statutory dues. Hence, the financial statements have been prepared assuming that the Company and its subsidiaries will continue as a going concern. No adjustments are hence made in the financial statements that might result from the outcome of this uncertainly.

30 CSR Expenditure :

Corporate Social Responsibility (CSR) - In View of losses incurred, expenditure on CSR is not applicable for the year ended as at 31st March, 2016. In the Previsous year the Company had not spent required amount of ₹ 41.22 Lakhs

31 The previous years figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date
For **D.M.JANI & Co.**
Chartered Accountants
FRN : 104047W

For and on behalf of the Board

Dilip.M.Jani
Proprietor
Membership No. 017259

Vijay Kumar H. Modi
Company Secretary & Legal

Dinesh Valecha
Director
DIN : 00012945

Jagdish K.Valecha
Vice-Chairman-cum Managing Director
DIN : 00013070

Place : Mumbai.
Date : 1st December, 2016.

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 Statement containing sailent features of the financial statement of subsidiaries

(As on / for the period / year ended March 31, 2016)

(Amount in ₹)

Sr. No.	Particulars	Valecha Infrastructure Ltd	Valecha LM Toll Pvt Ltd.	Valecha Badwani Sendwa Toll Road Ltd	Valecha Kutch Toll Ltd	Valecha International FZE	Professional Realtors Pvt Ltd.
1	Reporting Currency	INR	INR	INR	INR	INR	INR
2	Share Capital	5,00,000	10,00,00,000	5,00,00,000	68,50,00,000	27,02,535	1,00,000
3	Reserves	3,32,00,179	(68,34,27,863)	(13,15,14,320)	(39,42,86,486)		(23,233)
4	Total assets	1,79,35,27,437	2,27,74,39,004	74,26,57,760	4,77,38,30,887	21,25,56,720	23,62,684
5	Total Liaibilites	1,79,35,27,437	2,27,74,39,004	74,26,57,760	4,77,38,30,887	21,25,56,720	23,62,684
6	Investment except in the case of investment in subsidiary	83,26,26,242	-	-	-	-	-
7	Revenue from Operations	-	26,38,93,205	11,51,88,369	4,20,82,390	-	
8	Other Income	3,50,000	23,16,890	2,46,272	42,09,795	-	
9	Profit before Taxation	(2,73,893)	(14,52,63,132)	(3,20,23,998)	(39,42,86,486)	-	(172)
10	Provision for tax - (Current Tax)			87,317			
11	Provision for tax - (Deferred Tax)	-	(84,18,975)	(49,22,216)	-	-	
12	Profit after Tax	(2,73,893)	(13,68,44,157)	(2,71,89,099)	(39,42,86,486)	-	(172)
13	% of Share holding	100%	74%	74%	58%	100%	100%

Notes

1 Please refer to consolidated financial statements and notes appearing there on.

2 The Board of Directors in their meeting held on 1st December, 2016 have passed the resolution for not attaching the financial of the subsidiary company/(ies) to the financials of the Companies for the Financial year 2015-16 vide general circular no. 2/2011 dated 08.02.2011 issued by Ministry of Corporate Affairs.

3 Investment in Valecha internaitonal FZE 1,50,000 AED. 1 AED= INR.18.0169 as on 31.03.2016

4 The members if they desire, may write to the company at the Registered Office situated at Valecha Chambers, 4th floor, Andheri New Link Road, Andheri (W), Mumbai-53 to obtain a copy of the financials of its subsidiary companies.

5 The annual accounts of the subsidiary companies can be inspected by the members at the Registered Office of the company.

Independent Auditors' Report

To The Members of
Valecha Engineering Limited
Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Valecha Engineering Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. The respective Boards of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion:

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

8. We draw attention to Note 29 to the consolidated financial statement which describes that the Holding Company has incurred substantial losses from its operations during the current and previous year which has eroded its net-worth substantially. The Holding Company has also incurred net operating cash loss during the current year. Further, the Company has defaulted in repayment of borrowing, defaulted in payment of statutory dues and there was loss of key management without replacement. These conditions, along with other matters set forth in Note 29 in the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

   Our opinion is not modified in respect of these matters.

Other Matters

9. We did not audit the financial statement of one subsidiary whose financial statement reflect total assets of Rs. 47,738.30 lakhs as at March 31, 2016, total revenues of Rs. 420.82 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statement has been audited by another auditor whose reports have been furnished to us by the Management and our opinion on the

consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

10. We have relied on the unaudited financial statements of two subsidiaries whose financial statements reflect total assets (net) of Rs. 9,552.14 Lakhs as at March 31, 2016. Total revenues of Rs. 1,151.88 Lakhs for the year ended on that date. These unaudited financial statements have been certified by the respective Boards of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of subsidiaries is based solely on such certified unaudited financial statements.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. The going concern matter described in Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

    f. On the basis of the written representations received from the directors of the holding company and the subsidiary companies as on March 31, 2016, and taken on record by the Board of Directors of holding company and its subsidiaries companies, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.

    g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

    h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us :

        i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2016 on the consolidated financial position of the group (Refer Note no. 27).

        ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiary companies during the year ended March 31. 2016.

For D. M. JANI & CO.
Chartered Accountants
FRN : 104047W

DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 1st December, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 11(g) of the independent Auditors' Report of even date to the members of Valecha Engineering Limited on the consolidated financial statements for the year ended March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of **Valecha Engineering Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

The Holding Company is not having a full fledge ERP system to manage different operational activities. Accordingly, many of the operations, which would have been taken care by the system, required manual intervention and to that extent there are limitations in control system and processes.

The discrepancies noticed due to the above weakness, were, however, rectified by the year end with manual intervention.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiaries companies which are incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as of March 31, 2016, based on internal control over financial reporting criteria established by the Holding Company and its subsidiaries companies which are incorporated in India considering the essential components of the internal control stated in Guidance Note issued by ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 consolidated financial statements of the Holding Company and its subsidiaries companies which are incorporated in India and this material weakness does not affect our opinion on the consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

***For* D. M. JANI & CO.**
Chartered Accountants
FRN : 104047W

DILIP M. JANI
Proprietor
Membership No. 017259

Place : Mumbai
Date : 1st December, 2016

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

(Amount in ₹)

PARTICULARS	NOTE NO.	As at 31st March, 2016		As at 31st March, 2015	
I **EQUITY AND LIABILITIES :**					
1. Shareholders' Funds:					
a) Share Capital	1	**22,53,00,250**		19,53,00,250	
b) Reserves & Surplus	2	**(6,53,32,697)**	**15,99,67,553**	1,99,24,47,720	2,18,77,47,970
2. Minority Interest			**11,02,60,746**		15,29,09,393
3. Non Current Liabilities:					
a) Long Term Borrowings	3	**7,97,21,70,585**		7,85,28,02,455	
b) Deferred Tax Liabilities (Net)	4	**19,28,43,850**		24,38,15,963	
c) Other Long Term Liabilities	5	**2,08,34,84,771**	**10,24,84,99,206**	1,90,73,17,300	10,00,39,35,718
4. Current Liabilities ;					
a) Short Term Borrowings	6	**1,16,37,14,917**		95,96,81,734	
b) Trade Payables	7	**1,67,87,91,884**		1,60,26,56,550	
c) Other Current Liabilities	8	**3,31,73,04,466**	**6,15,98,11,267**	2,30,30,45,631	4,86,53,83,915
Total			**16,67,85,38,772**		17,20,99,76,996
II **ASSETS :**					
1. Non Current Assets :					
a. Fixed Assets:	9				
i. Tangible Assets:		**80,16,80,033**		1,23,91,52,890	
ii. Intangible Assets:		**5,53,54,18,778**		3,12,56,61,671	
iii. Intangible Assets under Development :		**1,73,90,93,298**		3,91,01,39,570	
iv Capital Work in Progress		**26,10,11,422**	**8,33,72,03,531**	20,10,50,636	8,47,60,04,767
b. Non Current Investments	10		**1,20,10,99,893**		1,20,65,50,083
c. Long Term Loans & Advances	11		**1,77,40,109**		2,32,81,323
2. Current Assets :					
a. Inventories	12	**55,26,64,218**		51,24,88,349	
b. Trade Receivables	13	**2,54,39,49,554**		2,65,49,56,168	
c. Cash and Cash Equivalents	14	**63,62,33,354**		79,81,41,639	
d. Short Term Loans & Advance	15	**3,35,89,42,379**		3,42,01,30,176	
e. Other Current Assets	16	**3,07,05,734**	**7,12,24,95,239**	11,84,24,491	7,50,41,40,823
Total			**16,67,85,38,772**		17,20,99,76,996
Significant Accounting Policies and Notes on Financial Statements	**1 to 30**				

As per our report of even date
For **D.M.JANI & Co.**
Chartered Accountants
FRN : 104047W

For and on behalf of the Board

Dilip.M.Jani
Proprietor
Membership No. 017259

Vijay Kumar H. Modi
Company Secretary & Legal

Dinesh H. Valecha
Director
DIN : 00012945

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Place : Mumbai.
Date : 1st December, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

	PARTICULARS	NOTE NO.	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
I	**INCOME**					
	Revenue from Operations	17		**7,50,44,90,855**		6,84,05,05,463
	Other Income	18		**12,90,33,152**		13,28,46,402
	Total Revenue			**7,63,35,24,007**		6,97,33,51,865
II	**EXPENSES**					
	Construction Expenses	19		**7,71,92,77,751**		5,98,30,54,643
	Changes in Inventories	19		**(4,01,75,868)**		6,94,06,367
	Employee Benefit Expenses	20		**23,13,87,985**		29,48,05,415
	Financial Cost	21		**1,20,88,61,157**		81,27,16,363
	Depreciation and Amortisation Expense	22		**53,46,47,934**		46,74,11,370
	Other Expenses	23		**40,18,05,843**		15,93,91,565
	Total Expenses			**10,05,58,04,802**		7,78,67,85,723
III	**PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEM & TAX**			**(2,42,22,80,795)**		(81,34,33,858)
IV	Extraordinary Item (Income)			**-**		-
V	**PROFIT / (LOSS) BEFORE TAX (III + IV)**			**(2,42,22,80,795)**		(81,34,33,858)
VI	**TAX EXPENSES / (BENEFITS)**					
	Current Tax		**87,317**		-	
	Deferred Tax / (Benefits)		**(5,09,72,113)**	**(5,08,84,796)**	(6,74,43,101)	(6,74,43,101)
VII	**PROFIT / (LOSS) FOR THE YEAR (BEFORE ADJUSTMENT FOR MINORITY INTEREST) (V - VI)**			**(2,37,13,95,999)**		(74,59,90,757)
VIII	Add : Share of Loss Transferred to Minority Interest			**4,26,48,647**		5,39,21,241
IX	**PROFIT / (LOSS) FOR THE YEAR (AFTER ADJUSTMENT FOR MINORITY INTEREST) (VII + VIII)**			**(2,32,87,47,352)**		(69,20,69,516)
	Significant Accounting Policies and					
	Notes on Financial Statements	**1 to 30**				
	Earning Per Share of face value of ₹ 10/- each					
	- Basic & Diluted (In ₹)	**24**		**(104.52)**		(35.44)

As per our report of even date
For **D.M.JANI & Co.**
Chartered Accountants
FRN : 104047W

For and on behalf of the Board

Dilip.M.Jani
Proprietor
Membership No. 017259

Vijay Kumar H. Modi
Company Secretary & Legal

Dinesh H. Valecha
Director
DIN : 00012945

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Place : Mumbai.
Date : 1st December, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

	Particulars	As at 31.03.2016	As at 31.03.2015
A	**Cash flow from Operating Activities**		
	Profit Before Tax and Extraordinary Items	**(2,42,22,80,795)**	(81,34,33,858)
	Add / (Deduct) Adjustment for :		
	Depreciation	**53,46,47,934**	46,74,11,370
	Financial cost	**1,20,88,61,157**	81,27,16,363
	Rent from Property	**(4,41,26,365)**	(4,36,32,784)
	Interest Earned	**(5,39,73,908)**	(7,10,03,766)
	Loss / (Profit) on Sale of Fixed Assets	**9,13,132**	27,81,591
	Operating Profit Before Working Capital Changes	**(77,59,58,845)**	35,48,38,916
	Changes in Working Capital :		
	Trade and Other Receivables	**32,20,02,600**	(62,19,78,690)
	Inventories and Project In Progress	**4,75,42,888**	3,26,72,749
	Trade and other Payables	**76,62,24,006**	51,85,25,701
	Cash Generated From Operations	**35,98,10,649**	28,40,58,676
	Direct Taxes (Paid)	**(14,43,54,288)**	(1,20,13,471)
	Prior year adjustments	**(6,000)**	(97,74,104)
	Net Cash Flow from Operating Activities	**21,54,50,361**	26,22,71,101
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	**(2,81,48,80,465)**	(68,10,40,664)
	Proceeds from Sale of Fixed Assets	**2,47,75,54,356**	2,14,43,815
	Changes in Capital WIP & Assets Under Development	**(5,99,60,786)**	(5,48,47,275)
	Proceeds from Sale of Investments /(Purchase of Investment)	**54,50,190**	(4,07,55,200)
	Interest Earned	**5,39,73,908**	7,10,03,766
	Rent from Property	**4,41,26,365**	4,36,32,784
	Net Cash From Investing Activities	**(29,37,36,432)**	(64,05,62,774)
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Equity Share	**30,15,00,000**	-
	Proceeds from Long Term Borrowings	**64,30,86,759**	1,07,81,63,613
	Proceeds from/(Repayment of) Unsecured Borrowings	**(2,33,81,000)**	(5,54,23,387)
	Proceeds from Short Term Borrowings	**20,40,33,183**	9,28,60,165
	Financial Cost	**(1,20,88,61,157)**	(81,27,16,363)
	Dividend Paid	**-**	(1,46,47,519)
	Net Cash Used in Financing Activities	**(8,36,22,215)**	28,82,36,509
	Net Increase / (Decrease) in Cash and Cash Equivalents	**(16,19,08,286)**	(9,00,55,164)
	Opening Balance of Cash and Cash Equivalents	**79,81,41,639**	88,81,96,803
	Closing Balance of Cash and Cash Equivalents	**63,62,33,354**	79,81,41,639

As per our report of even date
For **D.M.JANI & Co.**
Chartered Accountants
FRN : 104047W

For and on behalf of the Board

Dilip.M.Jani
Proprietor
Membership No. 017259

Vijay Kumar H. Modi
Company Secretary & Legal

Dinesh H. Valecha
Director
DIN : 00012945

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Place : Mumbai.
Date : 1st December, 2016

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A Basis of accounting and preparation of financial statements

a. The consolidated financial statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statement issued by Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the Financial Statements of Valecha Engineering Limited (Holding Company) and its Subsidiary Companies.

b. The share of Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated financial statement separately.

c. The share of Companies income / expenditures and receivables / payables in case of Contracts executed in Joint Ventures / Consortium under the Work sharing arrangements are reflected in the books of accounts of the Company under the relevant heads of account. Hence not considered again for above disclosure.

B Investments

Investments other than subsidiaries have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investment”

C Other Significant Accounting Policies

These are set out under “ Significant Accounting Policies” as given in the Company’s separate Financial statements.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

	As at 31.03.2016		As at 31.03.2015	
1 SHARE CAPITAL				
Authorised				
3,50,00,000 Equity Shares of ₹ 10/- each		**35,00,00,000**		35,00,00,000
Issued, Subscribed & Fully Paid				
2,25,30,025 (Previous Year 1,95,30,025) Equity Shares of ₹ 10/- each fully paid-up.		**22,53,00,250**		19,53,00,250
		22,53,00,250		19,53,00,250

Note 1 (a) Reconciliation of the number of equity shares and share capital :

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	**Amount in ₹**	No. of Shares held	Amount in ₹
Equity Shares :				
Shares outstanding at the beginning of the year	**1,95,30,025**	**19,53,00,250**	1,95,30,025	19,53,00,250
Add : Shares issued during the year	**30,00,000**	**3,00,00,000**	-	-
Shares outstanding at the end of the year	**2,25,30,025**	**22,53,00,250**	1,95,30,025	19,53,00,250

During the year the Company has issued 30,00,000 Equity shares on Preferential allotment basis of Rs. 10 each @ Premium of Rs. 90.50 each on 02.05.2015

Note 1 (b) Right, Preferences and restrictions attached to shares :

The company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each share holder is entitle for one vote per share. In the event of liquidation, the equity share holders are entitle to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their share holding.

Note 1 (c) Shareholder holding more than 5% of equity shares as at the end of the year :

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	**Shareholding %**	No. of Shares	Shareholding %
Valecha Investment Pvt. Ltd.	**69,33,249**	**30.77**	71,54,749	36.64
Hypnos Fund Limited	**20,00,000**	**8.88**	-	-

	As at 31.03.2016		As at 31.03.2015	
2 RESERVES AND SURPLUS				
a. Securities Premium Account :				
Balance as per last Balance Sheet	**91,35,96,609**		91,35,96,609	
Add : Premium on 30,00,000 Nos. of Shares @ Rs. 90.50 issued during the year	**27,15,00,000**	**1,18,50,96,609**	-	91,35,96,609
b. Revaluation Reserve:				
Balance as per last Balance Sheet	**61,27,795**		66,54,860	
Less: Depreciation on revalued assets	**5,27,065**	**56,00,730**	5,27,065	61,27,795
c. General Reserve:				
Balance as per last Balance-Sheet	**43,89,80,873**		43,89,80,873	
Add: Transfer from surplus in Statement of Profit & Loss	**-**	**43,89,80,873**	-	43,89,80,873
d. Surplus in Statement of Profit & Loss :				
Balance as per last Balance Sheet	**63,37,42,443**		1,38,40,92,297	
Add : Profit / (Loss) for the Year	**(2,32,87,47,352)**		(69,20,69,516)	
Less : Addditional Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013 (Ref Note No. 10)	**-**		4,85,06,234	
Less : Prior Year Adjustments for Taxes & Others	**6,000**	**(1,69,50,10,909)**	97,74,104	63,37,42,443
		(6,53,32,697)		1,99,24,47,720

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
3	**LONG TERM BORROWINGS**		
	a. **Secured**		
	Term Loans :		
	i. From Banks	**7,37,65,48,875**	7,32,23,68,919
	ii. From Financial Institutions	**29,76,56,710**	18,93,00,536
	b. **Unsecured**		
	i. Fixed Deposits	**10,51,75,000**	14,83,43,000
	ii. Compulsory Convertible Debentures	**18,31,00,000**	18,31,00,000
	iii. Others	**96,90,000**	96,90,000
		7,97,21,70,585	7,85,28,02,455

3.1 Nature of Security and Terms of Repayment for Long Term Secured Borrowings

	Nature of Security	Terms of Repayment
1)	Term Loan with the outstanding balance of ₹ 175.55 lakhs (March 2015 : ₹ 325.53 lakh) is secured by exclusive charge on specific Machineries	Repayable in 48 monthly installments commencing from Dec 2012 and the last installment due in October 2016. Rate of Interest at 8.00% p.a
2)	Term Loan with the outstanding balance of ₹ 5.26 Lakhs (March 2015 : ₹ 16.19 lakhs) is secured by exclusive charge on the vehicles	Repayable in 36 monthly installments with the last installment due in June 2016. Rate of Interest at 10.25% p.a.
3)	Term Loan with the outstanding balance of ₹ 2.00 Lakhs (March 2015 : ₹ 10.94 lakhs) is secured by exclusive charge on the vehicles	Repayable in 36 monthly installments with the last installment due in May 2016. Rate of Interest at 10.75% p.a.
4)	Term Loan with the outstanding balance of ₹ 2.44 Lakhs (March 2015 : ₹ 7.12 lakhs) is secured by exclusive charge on the vehicles	Repayable in 36 monthly installments with the last installment due in June 2016. Rate of Interest at 10.25% p.a.
5)	Term Loan with the outstanding balance of ₹ 8.02 Lakhs (March 2015 : ₹ 14.72 lakhs) is secured by exclusive charge on the specific Machinery.	Repayable in 36 monthly installments with the last installment due in Dec. 2016. Rate of Interest at 10.60% p.a.
6)	Term Loan fully paid during the year (March 2015 : ₹ 1438.57 lakh) it was secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a
7)	Term Loan fully paid during the year (March 2015 : ₹ 2080.08 lakh) it was secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a
8)	Term Loan fully paid during the year (March 2015 : ₹ 2151.34 lakh) it was secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Nov. 2013 and the last installment due in Sept. 2016. Rate of Interest at 13.00% p.a
9)	Term Loan with the outstanding balance of ₹ 3712.16 lakhs (March 2015 : ₹ 3663.49 lakh) is secured by first & exclusive charge on the project receivables for EPC from Surat Municipal Corporation for the three projects with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 30 months payable in quarterly installment with the moratorium period of 12 months and thereafter the quarterly repayment on phased manner. Rate of interest at 12.50% p.a.
10)	Corporate Loan with the outstanding balance of ₹ 1233.68 lakhs (March 2015 : ₹ 1558.60 lakh) is secured by exclusive charge on the specific immovable property along with the subservient charge on movable fixed assets & current assets	Repayable in 10 Quarterly Instalments with the moratorium period of Six months. Rate of interest at 13.10% p.a
11)	Term Loan with the outstanding balance of ₹ 6161.27 lakhs (March 2015 : ₹ 6216.37 lakh) is secured by first & exclusive charge on the project receivables for EPC from Rapti Nhar Nirman Mandal-II Irrigation Depart, Basti, Uttar Pradesh with the exclusive and first charge over Escrow Account and project specific Current Assets.	Repayable in 36 months payable in quarterly installment with the moratorium period of 12 months. Rate of interest at 12.25% p.a.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

Nature of Security	Terms of Repayment
12) Term Loan with the outstanding balance of ₹ 215.30 lakhs (March 2015 : ₹ 211.58 lakhs) is secured by exclusive charge on the property purchased	Repayable in 60 monthly installments with the last installment due in March 2019. Rate of Interest at 10.50% p.a
13) Term Loan with the outstanding balance of ₹ 4201.21 lakhs (March 2015 : ₹ 5000.00 lakhs) is secured by first & exclusive charge on the specific immovable property & JSL & VIL Shares	Repayable in 18 quartely installments with the last installment due in Sept 2020. Rate of Interest at 12.15% p.a
14) Term Loan with the outstanding balance of ₹ 4.27 lakhs (March 2015 : ₹ 6.36 lakhs) is secured by first & exclusive charge on the specific machine	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a
15) Term Loan with the outstanding balance of ₹ 33.81 lakhs (March 2015 : ₹ 50.47 lakhs) is secured by first & exclusive charge on the specific vehicles	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a
16) Term Loan with the outstanding balance of ₹ 24.92 lakhs (March 2015 : ₹ 37.20 lakhs) is secured by first & exclusive charge on the specific Machineries	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a
17) Term Loan with the outstanding balance of ₹ 10.60 lakhs (March 2015 : ₹ 15.83 lakhs) is secured by first & exclusive charge on the specific Machineries	Repayable in 36 monthly installments with the last installment due in July 2017. Rate of Interest at 10.25% p.a
18) Term Loan with the outstanding balance of ₹ 72.80 lakhs (March 2015 : ₹ 85.41 lakhs) is secured by first & exclusive charge on the specific vehicles	Repayable in 46 monthly installments with the last installment due in July 2018. Rate of Interest at 10.50 % p.a
19) Term Loan with the outstanding balance of ₹ 3677.22 Lakhs (March 2015 : ₹ Nil lakh) is secured by exclusive charge on the specific Machineries.	Repayable in 60 monthly installments commencing from Oct 2015 and the last installment due in Sept. 2020. Rate of Interest at 14.00 % p.a
20) Term Loan with the outstanding balance of ₹ 3500.00 Lakhs (March 2015 : ₹ Nil lakh) is secured Against Bank Guarantees	Repayable in single payment on or before 07.08.2016 Rate of Interest at 13.75 % p.a
21) Term Loan with the outstanding balance of ₹ 267.75 Lakhs (March 2015 : ₹ Nil lakh) is secured by exclusive charge on the specific Machineries.	Repayable in 36 monthly installments commencing from Oct 2015 and the last installment due in Sept 2018. Rate of Interest at 14.00% p.a
22) Term Loan in Valecha Infrastructure Limited with the outstanding balance of ₹ 5000 lakhs (March 2015: ₹ 5000 lakhs) is secured by pledge of shares & Immovable Property	Repayable in 18 quarterly installment with the last installment due in Sept 2020. Rate of Interest at 11.50 % p.a
23) Term Loan by way of Project Finance in Valecha LM Toll Pvt Limited with the outstanding balance of ₹ 20310 lakhs (March 2015 : ₹ 21100 lakhs) is secured by first mortgage charge over the properties and assets along with assigment of all the revenues of the borrower from the project along with other securities	Repayable in 44 unequal quarterly instalments, to commence from 31st March, 2015 Rate of Interest at 11.55% p.a
24) Term Loan by way of Project Finance in Valecha Badwani Sendhwa Tollways Limited with the outstanding balance of ₹ 5893.20 lakhs (March 2015 : ₹ 6374.61 lakhs) is secured by first charge over the properties and assets along with assigment of all the revenues of the borrower from the project along with other securities	Repayable in 47 unequal quarterly instalments, to commence from 30th September, 2013 Rate of Interest at 11.40% p.a
25) Term Loan by way of Project Finance in Valecha Kachchh Toll Roads Limited with the outstanding balance of ₹ 37,532 lakhs (March 2015: ₹ 30,250 lakhs) is secured by first charge over the properties and assets along with assigment of all the revenues of the borrower from the project along with other securities	Repayable in 39 structured quarterly instalments, to commence from June, 2016 Rate of Interest at 11.40% p.a
26) 52,00,000 Unsecured Compulsory Convertible Debentures issued by Valecha Badwani Sendhwa Toll Ways Limited of Rs. 10 each	Issued on 04.10.2012 to be converted after 10 years from the date of issue.
27) 1,31,10,000 Unsecured Compulsory Convertible Debentures issued by Valecha LM Toll Private Limited of Rs. 10 each.	Issued on 23.12.2010 to be converted any time between period of 5 to 10 years from the Commercial Operations Date

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

3.2 The Company has defaulted in repayment of loans and interest in respect of the following :

₹ In Lakhs as at 31.03.2016

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
(a) Valecha Engineering Limited				
Term Loan				
Central Bank of India	3,600.00	225.00	3,825.00	30 to 151 Days
Syndicate Bank	-	345.00	345.00	30 to 156 Days
Yes Bank	-	84.46	84.46	1 to 31 Days
State Bank of Bikaner & Jaipur	190.00	23.68	213.68	30 to 59 Days
Srei Equipment Finance Ltd.	83.16	264.08	347.24	9 to 114 Days
Machinery Loan				
ICICI Bank Ltd	45.92	4.47	50.39	30 to 60 Days
Srei Equipment Finance Ltd.	20.00	9.02	29.02	23 to 83 Days
Vehicle Loan				
Axis Bank Ltd	7.64	0.34	7.98	60 to 122 Days
Total (a)	**3,946.72**	**956.05**	**4,902.77**	
(b) Valecha Kachchh Toll Roads Ltd.				
Term Loan				
Canara Bank	-	624.15	624.15	Jan to Mar 2016
Indian Overseas Bank	-	478.05	478.05	Jan to Mar 2016
Total (b)	**-**	**1,102.20**	**1,102.20**	
(c) Valecha LM Toll Pvt. Ltd.				
Term Loan				
State Bank of India	83.00	280.73	363.73	Jan to Mar 2016
Axis Bank Ltd	75.00	287.35	362.35	Jan to Mar 2016
Total (c)	**158.00**	**568.08**	**726.08**	
(d) Valecha Badwani Sendhawa Toll Ways Ltd.				
Term Loan				
Vijay Bank	-	25.00	25.00	Mar 2016
Total (d)	**-**	**25.00**	**25.00**	
(e) Valecha Infrastructure Ltd.				
Term Loan				
Yes Bank	-	143.35	143.35	Jan to Mar 2016
Total (e)	**-**	**143.35**	**143.35**	
Grand Total (a to e)	**4,104.72**	**2,794.68**	**6,899.40**	

(Amount in ₹)

			As at 31.03.2016	As at 31.03.2015
4	**DEFERRED TAX LIABILITIES (Net)**			
	Deferred Tax Liabilities			
	Balance as per Last Balance Sheet		**24,38,15,963**	31,12,59,064
	Deferred tax Charged during the Year :-			
	a	Difference between book depreciation and tax depreciaiton during the year	**(5,09,72,113)**	(6,79,50,832)
	b	For provision for doubtfull debts	**-**	1,69,95,000
	c	For deferred tax credit impact of schedule II of the compnay's Act	**-**	(1,64,87,269)
		Deferred tax Charged during the Year :-	**(5,09,72,113)**	(6,74,43,101)
		Deferred Tax Liabilities / (Assets)	**19,28,43,850**	24,38,15,963

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
5	**OTHER LONG TERM LIABILITIES**		
	a. Advance from Contractees	**19,17,64,099**	32,96,00,283
	b. Non Current Liabilities - Trade	**83,56,45,467**	72,06,08,015
	c. Non Current Liabilities - Others	**1,05,60,75,205**	85,71,09,002
		2,08,34,84,771	1,90,73,17,300
6	**SHORT TERM BORROWINGS**		
	From Banks - Secured:		
	a. Working Capital Loans - Cash Credit Limits	**76,70,70,880**	75,78,91,166
	b. Short Term Facilities	**33,09,64,640**	14,75,56,631
	From Others - Unsecured :		
	a. Other Short Term Loans	**6,56,79,397**	5,42,33,937
		1,16,37,14,917	95,96,81,734

6.1 The Company has defaulted in repayment of working capital facilities in respect of the following :

₹ In Lakhs as at 31.03.2016

Particulars	Amount of Default		Total	Period of Default
	Principal	Interest		
Valecha Engineering Limited				
Working Capital Facilities				
State Bank of India	-	39.30	39.30	60 Days
Axis Bank Ltd	-	22.91	22.91	60 Days
Canara Bank	800.00	39.00	839.00	119 to 171 Days
Lakshmi Vilas Bank	-	34.33	34.33	32 Days
Total	**800.00**	**135.54**	**935.54**	

i. Working capital loans are secured by hypothication of book debts, current assets, unencumbered plant & machinery and specific immovable properties as per the sanction terms.

ii. Short Term Facilities from Banks are secured against the securities offered under the working capital loans.

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
7	**TRADE PAYABLES**		
	Micro, Small and Medium Enterprises	**5,16,57,910**	1,86,20,000
	Others	**1,62,71,33,974**	1,58,40,36,550
		1,67,87,91,884	1,60,26,56,550

7.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under :

	As at 31.03.2016	As at 31.03.2015
Particulars :		
Principal amount due and remaining unpaid	**5,16,57,910**	1,86,20,000
Interest due on above and the unpaid interest *	**73,25,603**	-
Interest paid	**-**	-
Payment made beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay	**-**	-
Interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable in succeeding years	**-**	-
	5,89,83,513	1,86,20,000

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

* Provision for Interest is not made in the Books of account as same is in dispute.
The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
8	**OTHER CURRENT LIABILITIES**		
a.	Current Maturities of Long Term Debts (Refer Note No. 3.1)	**1,49,29,40,663**	1,01,23,90,034
b.	Current Maturities of Advance from Contractees	**49,55,81,915**	25,89,59,200
c.	Current Maturities of Fixed Deposites (Refer Note No. 3.1)	**27,72,25,000**	25,74,38,000
d.	Unclaimed Dividends *	**15,15,024**	15,83,940
e.	Statutory Dues	**20,41,25,759**	18,07,00,269
f.	Secured Advance from Contractees	**22,76,04,007**	22,72,59,536
g.	Others	**61,83,12,098**	36,47,14,652
		3,31,73,04,466	2,30,30,45,631

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under this Head.

9. FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2015	Addition	Deduction	As at 31.03.2016	As at 01.04.2015	For the Year	Adjustment	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
(a) Tangible Assets										
Land - Freehold	4,09,54,039	-	-	**4,09,54,039**	-	-	-	**-**	**4,09,54,039**	4,09,54,039
Buildings	3,64,64,803	-	-	**3,64,64,803**	1,13,75,592	6,33,938	-	**1,20,09,530**	**2,44,55,273**	2,50,89,211
Plant & Machinery	1,92,16,24,109	5,09,73,556	50,71,15,245	**1,46,54,82,420**	80,29,36,627	18,24,30,661	20,00,81,630	**78,52,85,658**	**68,01,96,762**	1,11,86,87,482
Furniture and Fixtures	6,89,95,020	2,57,15,122	-	**9,47,10,142**	5,89,03,256	1,14,92,957	-	**7,03,96,213**	**2,43,13,929**	1,00,91,764
Vehicles	15,97,36,670	-	10,06,624	**15,87,30,046**	11,54,06,276	1,21,82,763	6,19,023	**12,69,70,016**	**3,17,60,030**	4,43,30,394
Total (a)	2,22,77,74,641	7,66,88,678	50,81,21,869	**1,79,63,41,450**	98,86,21,751	20,67,40,319	20,07,00,653	**99,46,61,417**	**80,16,80,033**	1,23,91,52,890
Previous Year	2,23,55,13,597	2,83,13,712	3,60,52,668	**2,22,77,74,641**	66,63,47,853	28,55,94,926	1,18,27,262	**94,01,15,517**	**1,23,91,52,890**	-
(b) Intangible Assets										
Concessionaire Right	3,69,31,70,351	2,73,81,91,787	-	**6,43,13,62,138**	56,75,08,680	32,84,34,680	-	**89,59,43,360**	**5,53,54,18,778**	3,12,56,61,671
Total (b)	3,69,31,70,351	2,73,81,91,787	-	**6,43,13,62,138**	56,75,08,680	32,84,34,680	-	**89,59,43,360**	**5,53,54,18,778**	3,12,56,61,671
Previous Year	3,69,31,70,351	-	-	**3,69,31,70,351**	38,51,65,171	18,23,43,509	-	**56,75,08,680**	**3,12,56,61,671**	-
(c) Intangible Assets under Development	3,91,01,39,570	-	2,17,10,46,272	**1,73,90,93,298**	-	-	-	**-**	**1,73,90,93,298**	3,91,01,39,570
Total (c)	3,91,01,39,570	-	2,17,10,46,272	**1,73,90,93,298**	-	-	-	**-**	**1,73,90,93,298**	3,91,01,39,570
Previous Year	3,25,74,12,618	65,27,26,952	-	**3,91,01,39,570**	-	-	-	**-**	**3,91,01,39,570**	-
(d) Capital Work in Progress	20,10,50,636	5,99,60,786	-	**26,10,11,422**	-	-	-	**-**	**26,10,11,422**	20,10,50,636
Total (d)	20,10,50,636	5,99,60,786	-	**26,10,11,422**	-	-	-	**-**	**26,10,11,422**	20,10,50,636
Previous Year	14,62,03,361	5,48,47,275	-	**20,10,50,636**	-	-	-	**-**	**20,10,50,636**	-
Current Year Total (a to d)	10,03,21,35,198	2,87,48,41,251	2,67,91,68,141	**10,22,78,08,308**	1,55,61,30,431	53,51,74,999	20,07,00,653	**1,89,06,04,777**	**8,33,72,03,531**	8,47,60,04,767
Previous Year Total (a to d)	9,33,22,99,927	73,58,87,939	3,60,52,668	**10,03,21,35,198**	1,05,15,13,024	46,79,38,435	1,18,27,262	**1,50,76,24,197**	**8,47,60,04,767**	

Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April 2014, the useful life of fixed assets have been revised as prescribed there in. As a result, an amount of Rs. 485.06 lakhs representing assets whose useful life has already exhausted as on 1st April 2014 has been adjusted against retained earnings. During the year Rs. 485.06 is added to accumulated depreciation as at 01.04.2015. In respect of remaining assets additional depreciation amounting to Rs. Nil lakhs (Previsous Year Rs. 1703.18 lakhs) has been charged for the Year ended 31.03.2016

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

10 NON CURRENT INVESTMENTS :

PARTICULARS	As at 31-03-2016		As at 31-03-2015	
	Qty. Nos.	Book value ₹	Qty. Nos.	Book value ₹
LONG TERM INVESTMENTS (AT COST)				
TRADE INVESTMENTS				
A. EQUITY SHARES : QUOTED & FULLY PAID				
Jyoti Structures Ltd.	**54,31,400**	**83,26,26,242**	54,31,400	83,26,26,242
(Face Value ₹ 2 Per Share)				
		83,26,26,242		83,26,26,242
B. EQUITY SHARES : UNQUOTED & FULLY PAID				
The Saraswat Co-op. Bank Ltd. (Face Value ₹ 10/- each)	**2,500**	**25,000**	2,500	25,000
The Janakalyan Sahakari Bank Ltd. (Face Value ₹ 10/ each)	**50,000**	**5,00,000**	50,000	5,00,000
Valecha Chambers Condominium (Face Value ₹ 100/- each)	**37**	**3,700**	37	3,700
Varun Cements Ltd. (Face Value ₹ 10/- each)	**42,800**	**2,20,000**	42,800	2,20,000
Bhubaneshwar Express Ways Pvt Ltd (Face Value ₹ 10/- each)	**2,68,76,200**	**26,87,62,000**	2,68,76,200	26,87,62,000
Valecha Reality Ltd (Face Value ₹ 10/- each)	**24,950**	**2,49,500**	24,950	2,49,500
Aryavrat Tollways Pvt. Ltd. - Voting Shares (Face Value ₹ 10/- each)	**4,900**	**49,000**	4,900	49,000
Aryavrat Tollways Pvt. Ltd. - Non-Voting Shares (Face Value ₹ 10/- each)	**44,100**	**4,41,000**	44,100	4,41,000
Professional Realtors Pvt. Ltd. (Equity Share Face Value ₹ 10/- each)	**10,000**	**1,79,45,000**	10,000	1,79,45,000
		28,81,95,200		28,81,95,200
C. INVESTMENT IN BUILDINGS		**8,02,78,451**		8,57,28,641
Abstract :				
A. Equity Shares : Quoted & Fully Paid		**83,26,26,242**		83,26,26,242
B. Equity Shares : Unquoted & Fully Paid		**28,81,95,200**		28,81,95,200
C. Investment in Buildings		**8,02,78,451**		8,57,28,641
Grand Total		**1,20,10,99,893**		1,20,65,50,083
Market Value of Quoted Investments In Shares		**5,92,02,260**		13,95,86,980

(Amount in ₹)

	As at 31.03.2016		As at 31.03.2015	
11 LONG TERM LOANS & ADVANCES				
Unsecured and considered good				
Security Deposit		**1,77,40,109**		2,32,81,323
		1,77,40,109		2,32,81,323
12 Inventories (At lower of cost or net realisable value) :				
Stock of Materials		**55,26,64,218**		51,24,88,349
		55,26,64,218		51,24,88,349

(Amount in ₹)

		As at 31.03.2016		As at 31.03.2015	
13	**Trade Receivables :**				
	a. Trade receivables outstanding for a period exceeding six months.				
	Unsecured and considered good		**1,09,31,17,543**		69,00,99,400
	Unsecured, considered doubtful		**-**		5,00,00,000
	Less : Provision for Doubtful Debts		**-**		(5,00,00,000)
			1,09,31,17,543		69,00,99,400
	b. Trade receivables outstanding for a period less than six months.				
	Unsecured and considered good		**1,45,08,32,011**		1,96,48,56,768
			2,54,39,49,554		2,65,49,56,168
14	**Cash and Cash Equivalents :**				
	a. Cash on Hand		**1,03,10,132**		79,12,447
	b. Bank Balances				
	(i) Current Accounts		**14,01,96,710**		25,38,87,869
	(ii) Unclaimed Dividend Accounts		**15,67,505**		16,36,421
	(iii) Escrow Accounts		**5,21,630**		53,88,804
	(iv) In Deposit Accounts		**48,36,37,377**		52,93,16,098
	(Lien against Bank Guarantees, Letter of Credits and EMDs.)				
			63,62,33,354		79,81,41,639
15	**Short Term Loans & Advances :**				
	(Unsecured and considered good)				
	a. Loans and Advances to Related Parties		**14,48,42,646**		13,97,29,046
	b. Loans and Advances to Employees		**2,10,65,842**		1,17,67,521
	c. Duties & Taxes Recoverable		**40,38,95,599**		31,47,75,468
	d. Advances Recoverable in Cash or in kind or for value to be received		**1,66,25,04,034**		2,12,97,59,210
	e. Deposits with Contractees & Others		**81,11,83,286**		65,29,14,930
	f. Advance Income Tax Paid	**39,29,50,972**		24,86,84,001	
	Less : Provisions for Income Tax	**7,75,00,000**	**31,54,50,972**	7,75,00,000	17,11,84,001
			3,35,89,42,379		3,42,01,30,176
16	**Other Current Assets :**				
	Projects in Progress and Others		**3,07,05,734**		11,84,24,491
			3,07,05,734		11,84,24,491

(Amount in ₹)

		Year Ended 31.03.2016		Year Ended 31.03.2015	
17	**REVENUE FROM OPERATIONS**				
	Revenue from Operation		**7,08,33,26,891**		6,49,94,24,068
	Revenue from Toll Collection & Annuity		**42,11,63,964**		34,10,81,395
			7,50,44,90,855		6,84,05,05,463
18	**OTHER INCOME**				
	a. Interest Income :				
	Interest on Fixed Deposits	**4,11,31,071**		4,71,98,730	
	Interest from Related Parties	**71,10,494**		1,16,47,503	
	Interest from Others	**57,32,343**	**5,39,73,908**	1,21,57,533	7,10,03,766
	b. Lease Rental Income		**4,41,26,365**		4,36,32,784
	c. Miscellaneous Income		**1,91,56,320**		1,04,07,211
	d. Foreign Exchange Fluctuation Gain		**1,17,76,559**		78,02,641
			12,90,33,152		13,28,46,402
19	**CONSTRUCTION EXPENSES**				
	a. Materials Purchase		**1,24,43,38,588**		2,06,71,68,222
	b. Sub-Contracting and Transportation Expenses.		**5,04,28,93,226**		2,87,86,97,875
	c. Power and Fuel		**6,97,43,254**		12,34,94,432
	d. Value Added Tax, Service Tax & Labour Cess		**13,42,33,216**		14,32,61,436
	e. Repairs, Rent & Maintenances to Plant & Machineries and Vehicles		**13,54,71,482**		31,09,79,678
	f. Insurance		**1,29,84,208**		1,24,80,930
	g. Site Expenses		**1,07,96,13,777**		44,69,72,070
			7,71,92,77,751		5,98,30,54,643
	h. Changes in Inventories				
	Opening Stock	**51,24,88,349**		58,18,94,716	
	Less : Closing Stock	**55,26,64,217**	**(4,01,75,868)**	51,24,88,349	6,94,06,367
			7,67,91,01,883		6,05,24,61,010
20	**EMPLOYEE BENEFIT EXPENSES**				
	a. Salaries, Wages, and Bonus		**21,69,42,693**		27,94,48,445
	b. Contribution to Provident Fund, Gratuity and other funds		**1,30,28,158**		1,39,40,024
	c. Welfare Expenses		**14,17,134**		14,16,946
			23,13,87,985		29,48,05,415

Employees' Retirement and other Benefits :

Defined contribution Plan : The Company's contribution to provident fund Rs. 1,13,36,558/- (Previous Rs. 94,64,480/-) is charged to Statement of Profit and Loss.

Defined benefit plan : The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The Company's Liability towards Gratuity are determined using the projected credit method. Actual gain and losses are recognised immediately in the Statement of Profit and Loss. Obligation is measured at the Present value of the estimated future cash

flow using a discounted rate i.e. determined by the market yield at the Balance Sheet date.

The following table set out the funded status of the Gratuity plan and the amount recognised by the Company's financial statements as at 31st March, 2016.

(Amount in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Changes in Present value of Obligations		
Present value of Obligations as at beginning of year	1,79,10,986	1,69,87,053
Interest Cost	14,32,879	13,58,964
Current Service Cost	17,42,373	16,46,329
Benefits paid	(61,61,370)	(45,84,694)
Actuarial (Gain)/Loss on Obligations	(5,91,919)	25,03,334
Present value of obligations as at end of year	1,43,32,949	1,79,10,986
Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	1,27,28,508	1,56,99,118
Expected return on plan assets	10,30,532	12,60,343
Contributions	2,92,818	3,53,741
Benefits paid	(61,61,370)	(45,84,694)
Actuarial (Gain)/Loss on Plan assets	-	-
Fair value of plan assets at the end of year	78,90,488	1,27,28,508
The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	1,43,32,949	1,79,10,986
Fair value of plan assets as at the end of the year	78,90,488	1,27,28,508
Funded status	(64,42,461)	(51,82,478)
Liability / (Assets) recognised in balance sheet	64,42,461	51,82,478
Expenses Recognised in statement of Profit and Loss		
Current Service Cost	17,42,373	16,46,329
Interest Cost	14,32,879	13,58,964
Expected return on plan assets	(10,30,532)	(12,60,343)
Net Actuarial (Gain)/Loss recognized in the year	(5,91,919)	25,03,334
Expenses recognized in statement of Profit and Loss	15,52,801	42,48,284

(Amount in ₹)

		Year Ended 31.03.2016		Year Ended 31.03.2015	
21	**FINANCIAL COST :**				
	Interest Expenses				
	a. Banks		**90,68,96,919**		60,58,10,641
	b. Financial Institutions		**15,77,51,758**		6,47,34,100
	c. Others		**14,42,12,480**		14,21,71,622
	Related Parties	**1,18,677**		-	
	Others Parties	**14,40,93,803**	**14,42,12,480**	14,21,71,622	14,21,71,622
			1,20,88,61,157		81,27,16,363
22	**DEPRECIATION & AMORTISATION EXPENSE**				
	Depreciation & Amortisation		**53,51,74,999**		46,79,38,435
	Less : Depreciation on Revalued assets charged to Revaluation Reserves		**5,27,065**		5,27,065
			53,46,47,934		46,74,11,370

(Amount in ₹)

			Year Ended 31.03.2016	Year Ended 31.03.2015
23	**OTHER EXPENSES**			
	a.	Rates and taxes	**56,64,526**	71,60,875
	b.	Printing and stationery	**6,40,855**	8,02,319
	c.	Telephone and Postage	**18,07,743**	18,18,662
	d.	Advertisement	**1,50,390**	1,06,139
	e.	Traveling and conveyance	**12,70,886**	26,22,756
	f.	Business promotion	**8,22,278**	6,81,921
	g.	Electricity charges	**14,92,148**	17,92,649
	h.	Professional Fees	**3,57,53,427**	3,66,71,810
	I.	Office Maintenance	**77,43,614**	89,42,847
	j.	Tender Expenses	**13,97,801**	17,47,523
	k.	Bank charges	**1,32,63,910**	1,64,41,054
	l.	Directors Remuneration	**32,68,634**	1,62,56,083
	m.	Commission to Non-executive Directors	**-**	3,00,000
	n.	Payments to Auditor	**34,05,966**	19,50,004
	o.	General expenses	**3,55,94,227**	93,15,332
	p.	Loss on sale of assets	**9,13,132**	27,81,591
	q.	Provision for Doubtful Debts	**-**	5,00,00,000
	r.	Bad Debts W/Off	**28,86,16,306**	-
			40,18,05,843	15,93,91,565
23.1	**Payment to Auditor**			
	Audit Fees		**26,32,500**	15,40,000
	Certification and Other Services including Service Tax		**7,73,466**	4,10,004
			34,05,966	19,50,004
24	**Earning Per Share**			
	1	Net Profit After Tax (With Extraordinary Income)	**(2,32,87,47,352)**	(69,20,69,516)
		Less : Extraordinary Income	**-**	-
	2	Net Profit After Tax & Extraordinary Income	**(2,32,87,47,352)**	(69,20,69,516)
	3	Weighted average Number of shares for Basic EPS (Numbers)	**2,22,80,025**	1,95,30,025
	4	Weighted average Number of shares for Diluted EPS (Numbers)	**2,22,80,025**	1,95,30,025
	5	Basic & Diluted Earning Per share	**(104.52)**	(35.44)

25 Expenditure in Foreign Currency

	Particulars	As at 31.03.2016	As at 31.03.2015
i.	C.I.F. Value of Imports		
	(a) Capital Goods	**-**	-
	(b) Components & Spare Parts	**-**	-
ii.	Technical & Engineering Fees	**-**	2,10,877
iii.	Travelling & Other Expenses	**-**	-

26 Related Party Disclosures

Disclosure as required by the Accounting Standard 18 " Related Party Disclosures " are given below :

	Name of the Related Party	Nature of Relationship	% of Profit
(A)	**Particulars of Associate Companies**		
1	Valecha Reality Ltd.	Associate Company	49.90%
2	Bhubaneshwar Express Ways Pvt. Ltd.	Associate Company	40%
3	Aryavrat Projects & Developers Pvt. Ltd.	Associate Company	49%
4	Gopaldas Vasudev Construction Pvt. Ltd.	Associate Company	Nil
5	Valecha Investment Pvt. Ltd	Associate Company	Nil
6	Valecha Power Ltd.	Associate Company	Nil
7	Valecha Gulf Contracting & Foundations L.L.C.	Associate Company	Nil
(B)	**Particulars of Joint Ventures**		
1	Ashoka Buildcon - VEL (Joint Venture)	Joint Venture Member	
2	Valecha - ECCI (Joint Venture)	Joint Venture Member	
3	Valecha - SGCCL (Joint Venture)	Joint Venture Member	
4	Valecha - Transtonnelstroy (Joint Venture)	Joint Venture Member	
5	KSSIIPL - VEL (JV)	Joint Venture Member	
6	Valecha - VKJ (JV)	Joint Venture Member	
7	Valecha - Shivalaya - Intradel (JV)	Joint Venture Member	
(C)	**Key Management Personnel**		
1	Arvind Thakkar	Chairman	
2	Jagdish K. Valecha	Vice-Chairman-Cum Managing Director	
3	Umesh H. Valecha	Whole Time Director	
4	Dinesh H. Valecha	Whole Time Director	
(D)	**Others**		
1	Kavita Valecha Sharma	Company Secretary	
2	Karan Jagdish Valecha	Relative of Key Management Personnel	
3	Kapil Jagdish Valecha	Relative of Key Management Personnel	

Note : Related party relationship is as identified by the Company and relied upon by the Auditor.

(E)	**Transactions with Associate Companies**	**2015-16**	2014-15
1	Equity Contribution	**-**	-
2	Deposit / Loans / Repayment received during the year	**2,51,20,000**	11,72,02,000
3	Deposit / Loans given / Repaid during the year	**3,02,33,600**	6,55,85,346
4	Interest Received	**71,10,494**	1,16,47,503
5	Interest Paid	**1,18,677**	-
6	Outstanding Balance - Amount Receivables	**14,48,42,646**	13,97,29,046
(F)	**Transactions with Joint Ventures**		
1	Sales	**10,32,37,002**	30,98,14,527
2	Outstanding Balance - Amount Receivables	**31,64,81,365**	24,86,20,008
(G)	**Transactions with Persons referred to in Item (C) above**		
1	Remuneration paid during the year	**32,68,634**	1,62,56,083
2	Sitting Fees	**10,000**	10,000
3	Commission	**-**	3,00,000
(H)	**Transactions with Other Persons**		
1	Remuneration paid during the year	**63,56,919**	63,54,394

The Share of Companies Income / Expenditure and Receivables / Payables in case of contracts executed in Joint Venture / Consortium under the work Sharing arrangements are reflected in the books of account of the Company under the relevant heads of account, Hence not considered again for above disclosure.

27 Contingent Liabilities

Contingent Liabilities are not provided for and are disclosed by way of notes :

(Rs. In Lakhs)

Sr. No.	Particulars	2015-16	2014-15
1	Outstanding Letter of Credits / Bank Guarantee	30,607.47	33,755.99
2	Dispute with Suppliers	210.28	69.03
3	Corporate Guarantees	85,135.45	78,824.00
4	Counter Guarantees	60,788.00	54,537.00
5	Corporate Guarantees of Minority Share Holders	766.22	828.62

28 The list of subsidiaries included in the consolidated financial statement are as under :

			As at 31.03.2016		As at 31.03.2015	
Sr. No.	Name of the subsidiary company	Country of Incorporation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
1	Valecha Infrastructure Ltd.	India	100%	100%	100%	100%
2	Valecha International (FZE)	UAE	100%	100%	100%	100%
3	Professional Realtors Pvt. Ltd.	India	100%	100%	100%	100%
4	Valecha LM Toll Pvt. Ltd.	India	74%	74%	74%	74%
5	Valecha Badwani Sendhawa Toll Ways Ltd.	India	74%	74%	74%	74%
6	Valecha Kachchh Toll Roads Ltd.	India	58%	58%	58%	58%

29 The accumulated losses for the year ended 31st March, 2016 have resulted in Holding Company's erosion of more than 50 percent of its peak net worth during the immediately preceding four financial years. However, the management is of the opinion that subject to approval of Master Restructuring Agreement by banks, the Holding Company will be able to return to profitability over the next few years and may be in position to repay Loans and pay statutory dues. Hence, the financial statements have been prepared assuming that the Holding Company and its subsidiaries will continue as a going concern. No adjustments are hence made in the financial statements that might result from the outcome of this uncertainly.

30 The previous years figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date
For **D.M.JANI & Co.**
Chartered Accountants
FRN : 104047W

For and on behalf of the Board

Dilip.M.Jani
Proprietor
Membership No. 017259

Vijay Kumar H. Modi
Company Secretary & Legal

Dinesh H. Valecha
Director
DIN : 00012945

Jagdish K.Valecha
Vice-Chairman-Cum Managing Director
DIN : 00013070

Place : Mumbai.
Date : 1st December, 2016

VALECHA ENGINEERING LIMITED

Reg. Office: Valecha Chambers, 4th Floor, Plot No. B-6,
Andheri New Link Road, Andheri (West), Mumbai 400 053
Tel: 022 4263 3200 E-mail: investor.relations@valecha.in • Website: www.valechaeng.com
CIN: L74210MH1977PLC019535

ATTENDANCE SLIP

39th Annual General Meeting to be held on 28th December, 2016

DP ID/ Client ID/ Folio No.____________________

Name of Member ____ Signature ______________________________

Name of the Proxy holder ______________________________________ Signature ______________________________

No. of Shares ______________________________

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 39th Annual General Meeting of the Company to be held on **Wednesday, 28th December, 2016.** at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubhash Marg, Mumbai - 400 001 at 11.00 a.m.

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members/ proxy are requested to bring a copy of the Annual Report at the meeting.

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ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User Id	(Pan/Seq. No.)
105822		

NOTE: please read the complete instructions given under the Note to the Notice of Annual General Meeting. The e-voting time starts from Sunday the 25th December, 2016 from 9.00 A.M. and ends on Tuesday, the 27th December, 2016 at 5.00 P.M. The voting module shall be disabled by NSDL for voting thereafter.

PROXY FORM / Form MGT 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014] Name of

Name of Member(s)	
Address	
E-mail ID	
DP ID/ Client/Folio No.	

I/We, being the Member(s) of ______________________________________, shares of the above named Company, hereby appoint

1. Name : ______________________________ Address : ______________________________
   E-mail Id : ______________________________ Signature: ______________________________, or failing him
2. Name : ______________________________ Address : ______________________________
   E-mail Id : ______________________________ Signature: ______________________________, or failing him
3. Name : ______________________________ Address : ______________________________
   E-mail Id : ______________________________ Signature: ______________________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company, to be held on Wednesday, the 28th December, 2016, M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubhash Marg, Mumbai - 400 001 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	I Assent to the resolution	I dissent from the resolution
Ordinary Resolutions			
1.	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2016 together with the Report of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Arvind Thakkar (DIN: 02208108) liable to retire by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint Auditors and to fix their remuneration.		
Special Resolutions			
4.	Ordinary Resolution to appoint Mr. Kailas Chandore (DIN: 07644193) as Independent Director w.e.f. 27th September, 2016 for a term of 5 Years		
5.	Ordinary Resolution to appoint Mrs. Ashmi Sheth (DIN: 07644493) as Independent Woman Director w.e.f. 27th September, 2016 for a term of 5 Years		
6.	Ordinary Resolution to fix remuneration of Cost Auditor for the Financial Year 2016-17		

Signed this ____________________ day of _______________ 2016.

Signature of shareholder(s): ______________________________

Signature of Proxy holder(s) : ______________________________

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statement and notes please refer to the notice of the 39th Annual General Meeting.
3. A Proxy need not be a member of the Company.
4. A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights.
5. A member holding more than 10% of the total share capital carrying voting rights may appoint a single person as Proxy and such person shall not act as proxy for any other member.
6. In case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion to the vote of the other joint holders. Seniority shall be determined by the order in which the name stand in the register of members.

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CIN: L74210MH1977PLC019535

BALLOT PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

1. Name and Registered address of the sole/first named member:
2. Name(s) of the Joint holder (if any):
3. Registered Folio No./ DP ID No. and client ID No.:
4. Number of share(s) held:
5. EVEN (Electronic Voting Event Number) :105822
6. User ID:
7. Password:

I hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 39th Annual General Meeting of the Company to be held on Wednesday, 28th December, 2016, by sending my/our assent or dissent to the said resolution in the following manner:

Sr. No.	Resolution	I Assent to the resolution	I dissent from the resolution
Ordinary Resolutions			
1.	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2016 together with the Report of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Arvind Thakkar (DIN: 02208108) liable to retire by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint Auditors and to fix their remuneration.		
Special Resolutions			
4.	Ordinary Resolution to appoint Mr. Kailas Chandore (DIN: 07644193) as Independent Director w.e.f. 27th September, 2016 for a term of 5 Years		
5.	Ordinary Resolution to appoint Mrs. Ashmi Sheth (DIN: 07644493) as Independent Woman Director w.e.f. 27th September, 2016 for a term of 5 Years		
6.	Ordinary Resolution to fix remuneration of Cost Auditor for the Financial Year 2016-17		

* Please put a tick mark (✓) in appropriate column against the resolution indicated above. In case of member/ proxy wishes his/ her vote to be used differently, he/she should indicate the number of shares under the columns 'For', 'Against'

Place:

Date:

Signature of Member

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GENERAL INSTRUCTIONS:

1. This Ballot Paper is provided for the benefit of members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.

2. A Member can opt for only one mode of voting i.e. either by e-voting or through Ballot. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the Ballot Paper shall be treated as invalid.

3. For detailed instructions on e-voting, please refer the notes appended to the Notice of AGM.

4. Facility of voting through Ballot Paper shall also be made available at the venue of the AGM. Members attending the AGM, who have not cast their vote by remote e-voting or through Ballot Paper, shall be able to exercise their right at the AGM.

5. Members who have cast their vote by remote e-voting or through Ballot Paper prior to the AGM may also attend the AGM, but shall not be entitled to vote again at the AGM.

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING BALLOT PAPER:

6. Please complete and sign the Ballot Paper (no other Paper or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. Ragini Chokshi & Co., Practising Company Secretaries.

7. The Ballot Paper should be signed by the Member as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Ballot Paper should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of POA. Exercise of vote by Ballot is not permitted through proxy.

8. In case the shares are held by companies, financial institutions, trusts, bodies corporate, societies, etc; the duly completed Ballot Paper should be accompanied by a certified true copy of the relevant Board Resolution/Authorization letter.

9. Votes should be cast in case of each resolution, either in favour or against by putting the tick (v) mark in the column provided in the Ballot. Members may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/ AGAINST” taken together should not exceed the Member’s total shareholding. If the shareholder does not indicate either “FOR” or “AGAINST” in case of any resolution, it will be treated as “ABSTAIN” for that resolution and the shares held will not be counted under either head.

10. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on 21st December, 2016 (“Cut-Off Date”). A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, voting through Ballot Paper, or voting at the venue of the meeting through ballot.

11. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the Cut Off date i.e. 21st December, 2016, may request the Company / Registrar and Transfer Agent and obtain Ballot Paper to cast the vote or can download the same from the website of the Company at www.valechaeng.com

12. Duly completed Ballot Paper should reach the Scrutinizer not later than the close of working hours (5.00 p.m.) on Tuesday, 27 December, 2016. Ballot Paper(s) received after this time and date will be strictly treated as if the reply from the members has not been received.

13. A Member may request for a duplicate Ballot Paper, if so required. However, duly filed in and signed duplicate Ballot Paper should reasearch the Scrutinizer not later than the date and time specified in serial no. 12 above.

14. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Paper(s) will be rejected. Ballot Paper may be rejected if it is torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identity either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.

15. The decision of Scrutinizer on the validity of the Ballot Paper and any other related matter shall be final.

16. The results of the voting shall be declared not later than 48 hours from the conclusion of the Annual General Meeting of the Company. The Chairman or any other person authorised by the Chairman shall declare the result of voting accordingly.

17. The Results along with the Scrutinizers Report shall be placed on the Company’s’ website www.valechaeng.comand on the website of NSDL immediately after the results are declared by the Chairman or any other person authorised by the Chairman, and the same shall be communicated to BSE Limited and National Stock Exchange Limited

If undelivered, please return to:

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www.westernpress.in