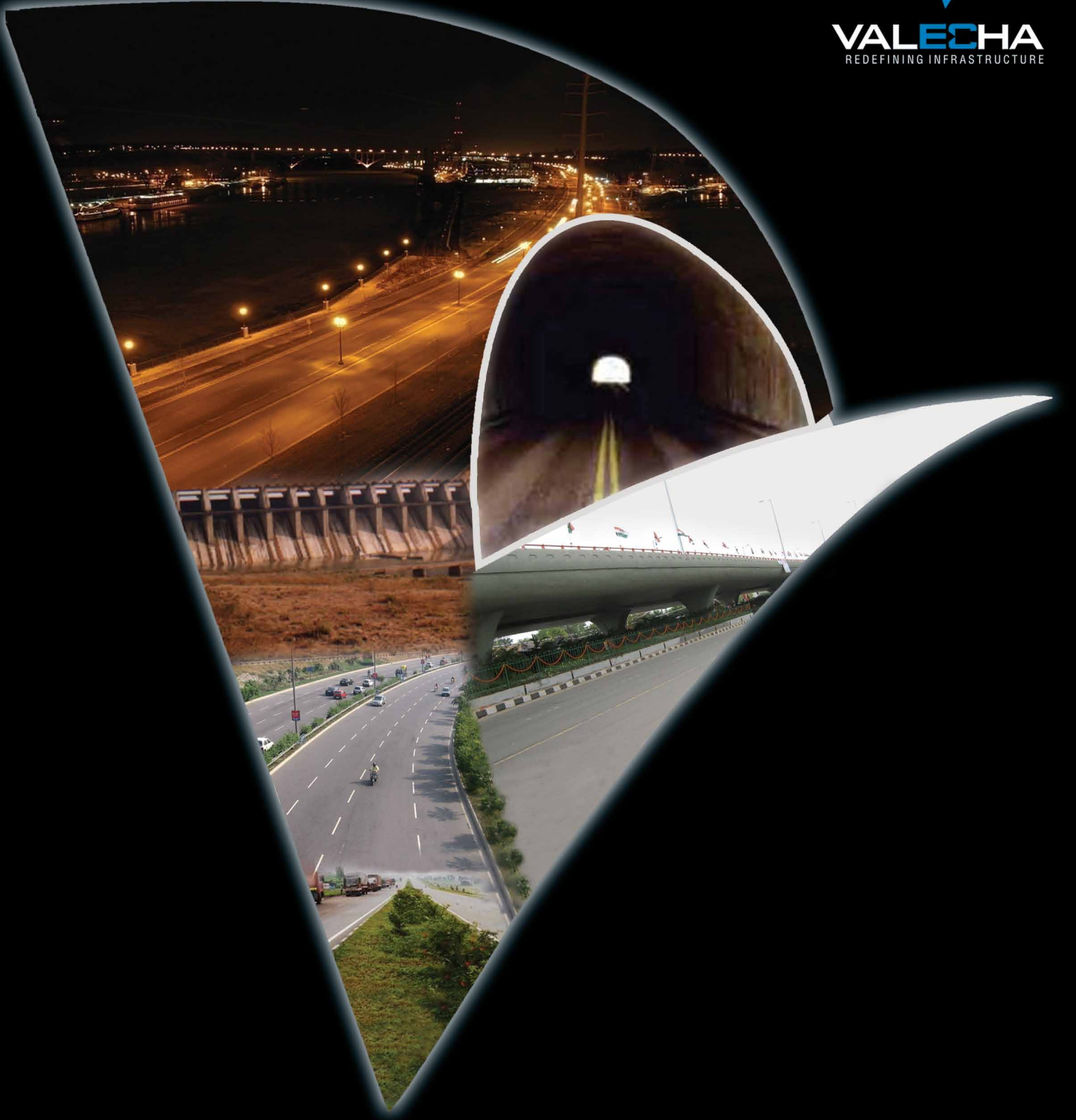




VALECHA
REDEFINING INFRASTRUCTURE





With vision towards promising future



Board of Directors

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

Company Secretary

Kavita Valecha Sharma

Auditors:

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

Consortium Bankers:

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

Solicitors:

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

Registrars and Transfer Agents:

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

Registered Office:

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

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NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Friday, 30th July, 2010 at 4.00 p.m. at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai -400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Audited Profit & Loss Account for the Financial year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in the place of Mr. Anil Harish who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Arvind Thakkar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By order of the Board

Mumbai
29th May, 2010

KAVITA VALECHA SHARMA
Company Secretary

Registered Office:

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

NOTES:

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

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

- (B) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 23rd July, 2010 to Friday, 30th July, 2010 (both days inclusive).

- (C) The dividend declared at the meeting, will be made payable on or before 29th August, 2010 as applicable, in respect of shares held in physical form to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfer lodged with the Company on or before the end of business hours on Thursday, the 22nd July, 2010 and in respect of shares held in the electronic form to those “Deemed Members” whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as on that date.

- (D) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto and including the financial year ended on 31st March, 2002 have been transferred to the Investor Education and Protection Fund of Central Government.

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to Investors Education and Protection Fund (the Fund) set up by the Government of India and no payment shall be made in respect of any such claims by the fund. Members who have not yet encashed their dividend for the financial year ended 31st March, 2003 onwards are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year ended 31st March, 2003 is due for transfer, members are requested to make their claims before 31st August, 2010.

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

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

- (F) Any member requiring further information as regards accounts at the meeting is requested to send queries in writing to the Company's Registered Office so as to reach on or before 23rd July, 2010 so that the information required can be made available at the meeting.

By order of the Board

Mumbai
29th May, 2010

KAVITA VALECHA SHARMA
Company Secretary

DIRECTORS' REPORT

To The Members,

The Directors present their Thirty Third Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2010.

(Rs. in lacs)

1. Financial Results:	2009-2010	2008-2009
Net Sales/Income from Operations	65205.13	60637.37
Other Income	764.09	627.17
	65969.22	61264.54
Less: Total Expenditure	61233.77	56942.08
Gross Profit Before Interest Depreciation, Taxes and Extraordinary Income	4735.45	4322.46
Less: Interest	1349.89	1355.43
Profit Before Depreciation, Tax and Extraordinary Income	3385.56	2967.03
Less: Depreciation	901.78	856.28
Profit Before Extraordinary Income & Tax	2483.78	2110.75
Add: Extraordinary Income	1273.62	—
Profit Before Tax	3757.40	2110.75
Provision for Tax		
Current Tax	557.31	383.80
Deferred Tax	234.17	272.40
Fringe Benefit Tax	—	5.00
Profit After Tax	2965.92	1449.55
Add : Balance Brought Forward from Last year	9684.87	8788.28
Prior year adjustment for Taxes & Others	(20.64)	(1.23)
Profit for Appropriation	12630.15	10236.60
APPROPRIATIONS		
Proposed dividend	278.70	215.16
Tax on Dividend	47.36	36.57
Transfer to General Reserves	300.00	300.00
Balance carried to Balance Sheet	12004.09	9684.87
	12630.15	10236.60
Paid-Up Equity Share Capital	1858.00	1793.00
Reserves	22082.77	19275.06
(Excluding Revaluation Reserves)		
E.P.S. With Extraordinary Item		
— Basic	16.49	8.08
— Diluted	15.66	8.08
Without Extraordinary Item		
— Basic	9.41	8.08
— Diluted	8.94	8.08

2. Dividend:

The Directors recommend payment of dividend of Rs. 1.50 per share (Previous Year Rs. 1.20 per share) for the year ended 31st March, 2010 on fully paid Equity Shares, if approved by the members at the Thirty Third Annual General Meeting to be held on 30th July, 2010.

3. Operations:

During the year under review, the turnover has increased to Rs. 65205.13 Lacs from Rs. 60637.37 Lacs in 2008-2009 representing an increase of 7.53%. The Profit before tax without Extraordinary Income (PBT) has increased by 17.67% from Rs. 2110.75 Lacs in the previous year to Rs.2483.78 Lacs for the year 2009-2010. The Profit After Tax without Extraordinary Income (PAT) was Rs. 1692.30 Lacs for the 2009-2010 as compared to PAT of Rs. 1449.55 Lacs (without extraordinary income) for the previous year representing an increase by 16.75%.

4. Fixed Deposits:

The Company has accepted Rs. 1573.66 Lacs Fixed Deposits by way of invitation to the public. There were no deposits, which were claimed and remained unpaid by the Company as on 31st March, 2010.

5. Outlook and Review:

The government, has given much emphasis for increasing the construction activities to boost growth. The budgetary allocation would definitely provide lots of fillip to the industry. The Finance Minister has given considerable importance to rural infrastructure by stepping up its allocation for Bharat Nirman projects, despite the fact that many of these projects are still to utilize their already sanctioned funds. During the year the Company has bagged projects worth more than Rs. 1200 Crores which include:

- (1) BOT Highway Project at Madhya Pradesh.
- (2) Highway Project at Orissa on BOT basis in Consortium (Kazstroy-Valecha).
- (3) Road Projects at Arunachal Pradesh.
- (4) Two New Road Projects at Himachal Pradesh which are ADB funded.
- (5) Piling works at Orissa for Indian Oil Corporation refinery.
- (6) Piling works for south side of Paradeep Refinery of Indian Oil Corporation.

6. Directors:

Shri A. B. Gogate whose term expired on 31st July, 2009 has resigned w.e.f. 1st August, 2009 from the Directorship due to pre-occupation. The Board would like to place on record its sincere appreciation for the invaluable services rendered by Shri. A. B. Gogate, during his tenure in the Company.

Retirement by Rotation:

In accordance with the requirement of the Companies Act, 1956, Mr. Anil Harish & Mr. Arvind Thakkar Directors of the Company are due for retirement by rotation and are eligible for re-appointment.

7. Auditors:

M/s. D. M. Jani & Co., the Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. They have given their consent to be re-appointed for the current year. Members are requested to consider re-appointing them as Auditors.

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

8. Capital:

On 31st March, 2010, the Company has allotted 6,50,000 shares on conversion of warrants.

On 8th May, 2010 the Company allotted 35 Lacs warrants on preferential basis to promoters and other entities pursuant to resolution passed at the EGM held on 24th April, 2010.

9. Transfer to Reserves:

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

10. Subsidiary:

Valecha Infrastructure Limited & Valecha International FZE:

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

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

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

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. Conservation of Energy:

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

B. Technology absorption:

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

C. Foreign Exchange Earnings & Outgo:

(Rs. in lacs)

	Current Year	Previous Year
Foreign Exchange Outgo	1656.00	993.27
Foreign Exchange Earned	1080.67	—

12. Particulars of Employees:

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

13. Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Reports on Management Discussion and Analysis and on Corporate Governance alongwith a certificate of compliance from the Auditors are attached hereto and form part of this Report.

14. Director's Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm; that in the preparation of the annual accounts, the applicable accounting standards have been followed. Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for that period. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

15. 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, customers and Bankers for their continued support.

For and on Behalf of the Board

ANIL HARISH
Chairman

Place : Mumbai
Date : 29th May, 2010

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors Report for the year ended on 31st March, 2010.

Sr. Name No.	Age in years	Qualification	Date of Commencement of Employment	Designation/ Nature of Duties	Experience in years	Gross Remuneration (Rs. in lacs) p.a.	Last Employment held with Designation
(A) Employment throughout the year and were in receipt of remuneration which is in aggregate was not less than Rs. 24,00,000/- p.a.							
(1) Shri J. K. Valecha	51	B.Com.	01.03.1982	Managing Director	28	60.89	—
(2) Shri D. H. Valecha	40	B.E. (Electronics)	18.08.90	Director	19	40.96	Seimens – Trainee Engg.
(3) Shri U. H. Valecha	34	B.E. (Civil)	19.05.97	Director	13	47.72	—
(4) Shri S. B. Watve	52	B.E.	03.11.2003	President Project	28	44.23	Afcons GM – Operations
(5) Shri P. H. Valecha	62	B.Com.	01.02.1970	Sr. Executive	40	117.67	—
(B) Employment for a part of the year and were in receipt of remuneration which in the aggregate was not less than Rs. 2,00,000/- p.m.							
(1) Shri R. H. Valecha*	71	B.A.	01.02.1968	Director	51	102.49	—
(2) Shri A. B. Gogate**	59	B.Tech.	02.08.1999	Director	35	13.98	M/s. National Ashphalt – Chief Engineer

* Resigned with effect from 01.07.2009.

** Resigned with effect from 01.08.2009.

Note:

Gross remuneration includes salary, allowance, incentive, contribution to Provident Fund, Superannuation Fund, gratuity and taxable value of perquisites.

ANNEXURE

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of Governance:

The Company believes that consistent implementation of good corporate governance practices contributes towards sustaining and developing the business of the Company.

The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship & disclosures serve as the means for implementing the philosophy of Corporate Governance.

It is the application of best management practices, compliance of law and adherence to ethical standards to achieve the organization goal of enhancing stakeholders value.

The Company shall strive hard to best serve the interest of its stakeholders comprising of Shareholders, Customers, Government and Society at large.

2. Board of Directors:

The Board of the Company consists of 6 (Six) Directors of which 3 (Three) are Executive Directors and 3 (Three) are Non-Executive Directors and out of 6 (Six) Directors 3 (Three) are Independent Directors and 3 (Three) are Non-Independent Directors.

During the year 2009-2010, the Board met Nine times, with at least one meeting in every quarter and with a gap of less than three months between two meetings on the following dates, namely 30th April, 2009, 24th June, 2009, 29th June, 2009, 31st July, 2009, 29th October, 2009, 27th November, 2009, 29th January, 2010, 26th March, 2010 and 31st March, 2010.

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 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	Attendance particulars		Number of other Directorship and Committee Membership/Chairmanship		
		Board Meeting	Last AGM	Other Directorship (excluding Pvt. Ltd. Companies)	Committee Membership	Committee Chairmanship
Mr. Anil Harish	Non-Executive & Independent	9	Attended	13	5	5
Mr. J. K. Valecha	Executive & Non-Independent	9	Attended	1	2	—
Mr. D. H. Valecha	Executive & Non-Independent	8	Attended	2	1	—
Mr. U. H. Valecha	Executive & Non-Independent	9	Attended	2	—	—
Mr. A. B. Gogate*	Executive & Non-Independent	4	Attended	—	1	—
Mr. G. Ramachandran	Non-Executive & Independent	4	Attended	1	—	2
Mr. Arvind Thakkar	Non-Executive & Independent	Nil	Attended	—	—	—

*Resigned w.e.f. 1st August, 2009.

Details of Directors seeking appointment/reappointment at the 33rd Annual General Meeting: (Pursuant to Clause 49 of the Listing Agreement).

1. Name:	Mr. Anil Harish
Age:	56 years
Qualifications:	Advocate
Expertise:	Over 29 years of experience in taxation and other laws. Partner of M/s. D. M. Harish & Co., Advocate
Other Directorship: (excluding Pvt. Ltd., Companies)	Hotel Leela Venture Ltd., Pantaloon Retail (India) Ltd., Unitech Ltd., Hinduja Ventures Ltd., Mahindra Lifespace Developers Ltd., Ador Welding Ltd., Advani Hotels & Resorts (India) Ltd., Mukta Arts Ltd., Hinduja Global Solutions Ltd., K. C. Maritime (India) Ltd., Pride Hotels Ltd., Future Ventures India Ltd., Ashok Leyland Ltd.

Committee Member/Chairmanship:	Member – Audit Committee (Hotel Leelaventure Ltd.) Member – Audit Committee (Mukta Arts Ltd.) Member – Audit Committee (Unitech Ltd.) Member – Audit Committee (Valecha Engineering Limited) Member – Audit Committee (Mahindra Lifespace Developers Ltd.) Chairman – Audit Committee (Hinduja Ventures Ltd.) Chairman – Audit Committee – Hinduja Global Solutions Ltd. Chairman – Investor Grievance Committee – Hinduja Global Solutions Ltd. Chairman – Audit Committee (Ador Welding Ltd.) Chairman – Audit Committee (Ashok Leyland Ltd.)
2. Name:	Mr. Arvind Thakkar
Age:	66 years
Qualifications:	Chartered Accountant
Expertise:	Over 39 years of experience in the finance, acquisitions & mergers, cost and management accounting.
Other Directorship	NIL (Not a director in any other Indian Company).
Committee Member/Chairmanship	NIL

3. Audit Committee:

As on 31st March, 2010 the Audit Committee consisted of Mr. G. Ramachandran – Chairman, Mr. J. K. Valecha – Member and Mr. Anil Harish – Member.

The Audit Committee met Five Times during the year 2009-2010 on 29th April, 2009, 29th June, 2009, 31st July, 2009, 29th October, 2009 and 29th January, 2010 and the attendance of the member of the meeting was as follows:

Name of Directors	Category	No. of Meeting Attended
Mr. G. Ramachandran	Non-Executive & Independent	3
Mr. Anil Harish	Non-Executive & Independent	5
Mr. J. K. Valecha	Executive & Non-Independent	4

The terms of reference of the Audit Committee includes various matters in conformity with the statutory guidelines, which includes the following:

To review the nature and scope of internal and external audit, the adequacy of internal control system and the financial reporting process to ensure the correctness and credibility of financial statements, to review quarterly and annual financial statements before submission to the Board, change in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, to ensure proper accounting policies and compliance with the Accounting Standards and stock exchange requirements regarding financial statements and reviewing over all company's financial and risk management policies and other related areas of the Company.

4. Remuneration Committee:

The committee comprises of (3) Directors, Mr. G. Ramachandran – Chairman, Mr. Arvind Thakkar – Member and Mr. Anil Harish – Member.

The remuneration Committee reviews the Company's policies on specific remuneration packages and overall remuneration structure of the Executive Directors. The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis. During the year the Committee met once on 29th June, 2009.

Remuneration of Directors for 2009-2010:

(Rupees in lacs)

Sr. No.	Name of Directors	Salary	Benefits	Sitting Fees	Commission	Total
1.	Mr. J. K. Valecha	57.10	3.79	—	—	60.89
2.	Mr. R. H. Valecha*	102.25	0.24	—	—	102.49
3.	Mr. G. Ramachandran	—	—	0.20	4.00	4.20
4.	Mr. Anil Harish	—	—	0.45	4.00	4.45
5.	Mr. Dinesh Valecha	40.55	0.41	—	—	40.96
6.	Mr. Umesh Valecha	46.95	0.77	—	—	47.72
7.	Mr. Arvind Gogate**	12.50	1.48	—	—	13.98
8.	Mr. Arvind Thakkar	—	—	—	4.00	4.00
	Total	259.35	6.69	0.65	12.00	278.69

*Resigned w.e.f. 1st July, 2009.

**Resigned w.e.f. 1st August, 2009.

5. Shareholders/Investor Grievance Committee:

The Shareholders/Investor Grievance committee was reconstituted on 29th October, 2009. After the resignation of Mr. A. B. Gogate, Mr. D. H. Valecha is appointed as the member. The Share Transfer/Investor Grievance Committee consist of 3 Directors Mr. J. K. Valecha (Executive & Non Independent), Mr. D. H. Valecha (Executive & Non-Independent) and Mr. G. Ramachandran (Non-Executive & Independent). Mr. G. Ramachandran, the chairman of the Committee is a Non-Executive Director. The Committee deals with all the matter relating to share holder and investor complaints. In addition, it deals with approval of transfer/transmission of shares, issue of duplicate certificate and issuance of certificate after split/consolidation/renewal thereof and other related matters. The Committee held 21 meetings during the year 2009-2010. As of 31st March, 2010 there were no unresolved investors complaints pending and no shares pending for transfer.

Ms. Kavita Valecha Sharma – Company Secretary is the Compliance Officer.

Shareholders Complaints (Since 01.04.2009 to 31.03.2010):

No. of complaints received from shareholders	No. of complaints solved to the satisfaction of the shareholders	No. of complaints pending
16	16	—
No. of complaints in SEBI		
3	3	—

6. Subsidiary Companies:

The subsidiary companies Valecha Infrastructure Limited and Valecha International FZE are not covered under the term “material non listed Indian Subsidiary Company”.

7. Code of Conduct:

The Board has laid down the Code of Conduct for all Board members and Senior Managerial Personnel of the Company. All the Directors & Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect duly signed by Managing Director of the Company is attached herewith and forms Part of Corporate Governance Report.

8. General Body Meetings:

The last three Annual General Meeting of the Company were held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubhash Marg, Mumbai-400 001, as per details below:

Date	Time	Details of Special Resolution	Relevant Section
20th August, 2009	4.00 p.m.	i. Reappointment of Managing Director ii. Appointment of Whole Time Directors	198, 269, 309 & 310 198, 269, 309 & 310
29th August, 2008	4.00 p.m.	i. Issue of Bonus Shares ii. Office or place of profit	314
3rd September, 2007	4.00 p.m.	i. Issue of Bonus Shares ii. Issue of GDR/ADR/FCCBs iii. Office or place of profit	81, 81 (1A) 314

Extra Ordinary General Meeting was held on Wednesday the 30th December, 2009 at 3:00 pm at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubhash Marg, Mumbai-400 001 for issue of ADR/GDR/FCCB.

Extra Ordinary General Meeting was held on Saturday, 24th April, 2010 at 11:30 a.m at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai -400 018 for issue of warrants to promoters and other entities.

No Special Resolutions were put through postal ballot last year. No special Resolution is proposed to be passed through postal Ballot at the ensuing Annual General Meeting.

9. 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. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. Consequently, there were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
3. The Director’s Report includes details of Management Discussion and Analysis including Risks & Concerns.

10. Means of Communication:

- (i) The approved financial results are forwarded to the Stock Exchange and are published in the leading English and Regional newspapers.
- (ii) The Company's financial results and official news releases are displayed on the Company's Website www.valechaeng.com
- (iii) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

11. Secretarial Audit:

A qualified practicing Company Secretary carried out a secretarial 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.

12. General Shareholder information:

- * AGM : Date : 30th July, 2010
Time : 4.00 p.m.
Venue : Sunville Banquet Hall,
9, Dr. Annie Besant Road,
Worli, Mumbai - 400 018
- * Financial Calendar : 1st April, 2009 to 31st March, 2010
- * Book Closure : 23rd July, 2010 to 30th July, 2010
- * Dividend Payment date : On or before 29th August, 2010
- * Listing on Stock Exchanges : Bombay Stock Exchange Limited
National Stock Exchange of India Limited
Luxembourg Stock Exchange (for GDR)
- * The listing fees for the financial year 2010-2011 of the stock exchange has been paid.

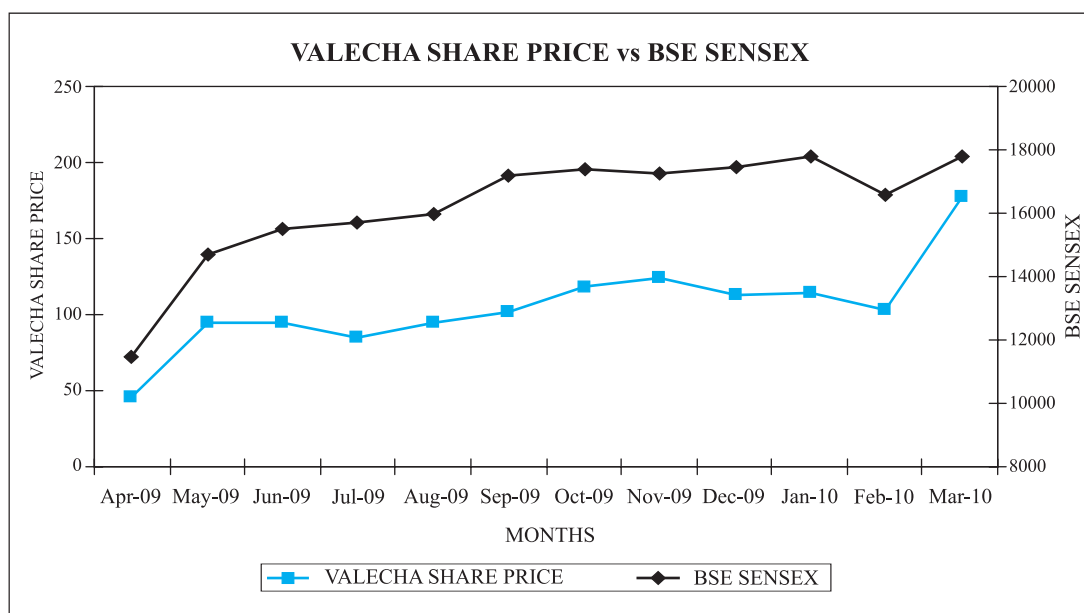
Listing on Stock Exchanges:

Name of Stock Exchange	Stock Code No.	Code on Screen
Bombay Stock Exchange Limited, (BSE)	532389	VALECHA ENGI
National Stock Exchange of India Limited, (NSE)	—	VALECHAENG
Luxembourg Stock Exchange (For GDR) – CUSIP No. ISIN No.	91911Q109 US91911Q1094	— —

* Market Price data:

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

Month	BSE		NSE	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
April, 2009	44.25	29.70	44.20	29.80
May, 2009	93.10	39.60	94.20	39.30
June, 2009	93.85	68.55	92.80	68.90
July, 2009	83.65	63.05	83.65	62.90
August, 2009	93.10	71.00	90.95	70.85
September, 2009	100.00	85.40	100.70	85.40
October, 2009	117.65	91.95	116.70	92.15
November, 2009	122.70	90.25	122.30	89.55
December, 2009	112.25	102.35	112.60	102.55
January, 2010	112.85	97.55	112.60	98.00
February, 2010	101.50	91.90	101.15	91.75
March, 2010	176.00	98.15	175.80	97.95



- * Registrar and Transfer Agents : TSR Darashaw Limited
6-10 Haji Moosa Patrawala Ind. Estate
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai-400 011.
Tel. : 66568484
Fax : 66568494
- * 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, 2010.

Distribution of Holdings (as on 31st March, 2010)

Shareholding of Nominal Value		Shareholders		Share Amount	
Rs.	Rs.	No.	% To Total	Rs.	% To Total
1	5,000	8695	84.98	11557720	6.22
5,001	10,000	628	6.14	4666360	2.51
10,001	20,000	423	4.13	6080670	3.27
20,001	30,000	156	1.52	3839640	2.07
30,001	40,000	63	0.62	2229920	1.20
40,001	50,000	51	0.50	2340610	1.26
50,001	1,00,000	99	0.97	7297860	3.93
Above	1,00,000	117	1.14	147787470	79.54
TOTAL		10232	100.00	185800250	100.00

Share Holding Pattern

Sr.	Category	No. of Shares	%
1.	Promoters (including persons acting in concert)	9115386	49.06
2.	NRI's	291388	1.57
3.	Bodies Corporate	3520499	18.95
4.	Financial Institution/Mutual Fund	759964	4.09
5.	Foreign Institution Investors	341545	1.84
6.	Others: (Independent Directors)	180209	0.97
	Shares held by Custodians issued against GDRs	371250	2.00
	Indian Public	3999784	21.52
	TOTAL	18580025	100.00

* Dematerialization of Shares: As on 31st March, 2010, 97.62% of the Company's total shares representing 1,81,38,066 shares were held in dematerialised form.

* Outstanding GDRs/ADRs/Warrants:

On 24th June, 2009 16,00,000 Preferential Warrants at an issue price of Rs. 39/- per warrant with an option to subscribe at a future date have been allotted and out of which 6,50,000 warrants have been converted & 9,50,000 warrants are outstanding.

On 8th May, 2010 35,00,000 preferential warrants at an issue price of Rs. 107.54/- per warrant with an option to subscribe at a future date have been allotted and are outstanding.

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.
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.
Tel. : 66568484
Fax : 66568494

13. DECLARATION UNDER CODE OF CONDUCT:

As required under Clause 49 (ID) of the Listing Agreement, it is hereby affirmed that all the Board members and Senior Management Personnel have complied with Code of Conduct of the Company. The Code of the Conduct has been posted on the web-site of the Company.

JAGDISH K. VALECHA

Managing Director

Date : 29th May, 2010

Place : Mumbai

Auditors' Certificate on Clause 49 Compliance of Listing Agreement

To,
The Members of
Valecha Engineering Limited

We have examined the Compliance of conditions of Corporate Governance by Valecha Engineering Limited, for the year ended on 31st March, 2010, as stipulated in the Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation 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.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **M/s. D. M. JANI & CO.**

Chartered Accountants

DILIP M. JANI

Proprietor

Membership No. 17259

Place : Mumbai

Date : 29th May, 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure and Developments:

Infrastructure sector remains main focus for the government as it has received 46% of total planned allocation. Budget measures announced by the govt will lead the economy on a 9% growth target as indicated by the finance minister. Infrastructure, both rural and urban, seems to be a central theme this year. It would certainly have an overall positive impact on the sector.

(b) Opportunities and Threats/Risks and concerns:

The government has placed emphasis on the need for accelerated development of high quality physical infrastructure such as roads, ports, airports and railways, which are essential to sustaining economic growth.

Stiff competition leading to price-cuts and low operating margins, sustained increase in prices of certain materials used in constructions such as steel, cement, building materials and petroleum products, adapting to technological changes and having suitable manpower are they key issues/concerns to post major threats in the growth of Construction Industry.

(c) Segment wise performance & outcome:

The Company is in the business of construction and infrastructure development of roads, dams, bridges, highways etc & hence operates in a single Business segment.

(d) Outlook:

Apart from the measures announced in the Finance Bill, there have been several policy changes that have been rolled out in this fiscal year for the infrastructure to bring out reforms. For examples amendment to the Mega Power Policy introduced in December 2009, Re-launch of NELP VIII for Oil and CBM blocks in August 2009, issuance of draft Model real Estate (Regulation of Development) Act 2009, amendments to the SEZ Regulations, etc. All these measures have accelerated the growth pace for the infrastructure sector as is manifested in the statistics provided in the Economic Survey.

(e) 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.

(f) Discussion on financial performance with respect to operation Performance:

During the year under review, the turnover has increased to Rs. 65,205.13 Lacs from Rs. 60,637.37 Lacs in 2009-2010 representing an increase of 7.53%. The PBT without Extraordinary Income has increased by 17.67% from Rs. 2,110.75 Lacs for the previous year to Rs. 2,483.78 Lacs for the year 2009-2010. The PAT without extraordinary income was Rs. 1,692.30 Lacs for the year 2009-2010 as compared to PAT of Rs. 1,449.55 Lacs (without Extraordinary Income) for the previous year representing an increase by 16.75%.

(g) 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 organisation. Human Resource is recognised as most valuable asset of the Company that play vital role in attaining success for the organisation.

(h) 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.

REPORT OF THE AUDITOR TO THE MEMBERS

We have audited the attached Balance Sheet of VALECHA ENGINEERING LIMITED, as at 31st March, 2010, the Profit and Loss Account and also Cash Flow Statement for year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Audit Report) Order, 2003 issued by the Central Government of India in terms of sub-section 4(A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books, proper information/explanations and records adequate for the purposes of our audit have been received from the Project Sites not visited by us.

- (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) In our opinion and based on information and explanations given to us, none of the Director is disqualified as on 31st March, 2010 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **D. M. JANI & CO.**
Chartered Accountants

DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 29th May, 2010

ANNEXURE TO THE AUDITOR'S REPORT

ANNEXURE REFERRED TO IN ITEM NO. 2 OF THE REPORT OF THE AUDITOR TO THE MEMBERS OF VALECHA ENGINEERING LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010.

We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
(b) All the assets have not been physically verified by the Management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
3. (a) The Company has not taken loan from companies covered in the register maintained under Section 301 of the Companies Act, 1956. There are Four companies covered in the register maintained under Section 301 of the Companies Act, 1956 to whom the company has granted loans. The maximum amount involved during the year was Rs. 1,846.50 lacs and the year-end balance of loans granted to such parties was Rs. 10,013.78 lacs.
(b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (d) There is no overdue amount of loans granted to companies listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of Inventory and Fixed Assets and also for the Sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or Any Other Tribunal on the Company in respect of the above said Deposits.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.

9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities, According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and the records of the Company examined by us there are no dues of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Service Tax and Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations give to us, the company has not defaulted in repayment of dues to a financial institutions and Banks.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions during the year.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanation given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
19. According to the information and explanations given to us, during the period the Company has not issued any Debentures.
20. The Company has not raised any money by public issues during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **D. M. JANI & CO.**
Chartered Accountants

DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 29th May, 2010

BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	SCHEDULE	As at 31st March, 2010		As at 31st March, 2009	
I. SOURCES OF FUNDS :					
1. Shareholders' Funds:					
(a) Share Capital	A	18,58,00,250		17,93,00,250	
(b) Reserves & Surplus	B	2,21,77,10,247		1,93,76,32,046	
			2,40,35,10,497		2,11,69,32,296
2. Loan Funds:					
(a) Secured Loans	C	1,47,41,58,656		1,16,14,43,607	
(b) Unsecured Loans	D	16,66,28,500	1,64,07,87,156	29,81,60,000	1,45,96,03,607
3. Deferred Tax Liability:					
Total			18,19,80,058		15,85,63,046
			4,22,62,77,711		3,73,50,98,949
II. APPLICATION OF FUNDS :					
1. Fixed Assets:					
(a) Gross Block	E	1,76,81,88,606		1,70,69,60,918	
(b) Less: Depreciation		35,18,38,822		27,05,39,645	
(c) Net Block			1,41,63,49,784		1,43,64,21,273
2. Investments					
	F		8,28,84,061		9,54,65,334
3. Current Assets, Loans & Advances					
(a) Inventories	G	40,79,94,252		36,04,09,707	
(b) Work in Progress		8,30,09,823		4,57,70,753	
(c) Sundry Debtors		1,42,24,27,573		1,23,50,11,739	
(d) Cash & Bank Balances		50,43,78,878		32,07,75,217	
(e) Loans & Advances		2,32,02,46,654		1,80,04,22,175	
		4,73,80,57,180		3,76,23,89,591	
Less: Current Liabilities and Provisions					
(a) Current Liabilities	H	1,97,84,06,763		1,53,40,04,570	
(b) Provisions		3,26,06,551		2,51,72,679	
		2,01,10,13,314		1,55,91,77,249	
NET CURRENT ASSETS			2,72,70,43,866		2,20,32,12,342
Total			4,22,62,77,711		3,73,50,98,949
Notes to the Accounts	N				

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.
Date : 29th May, 2010.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in Rs.)

	SCHEDULE	As at 31st March, 2010		As at 31st March, 2009	
INCOME					
Receipts from Operations	I		6,52,05,12,701		6,06,37,37,454
Other Income			7,64,09,445		6,27,17,219
Total				6,59,69,22,146	
EXPENDITURE					
Construction Expenses	J		5,80,81,86,339		5,45,30,42,474
Employees Remuneration & Welfare Expenses	K		22,12,71,841		17,38,53,461
Administrative & Other Expenses	L		9,39,18,544		6,73,12,158
Financial Cost	M		13,49,88,607		13,55,43,401
Depreciation/Amortisation		9,08,72,424		8,63,22,182	
Less : Amount withdrawn from Revaluation Reserve		6,94,006	9,01,78,418	6,94,006	8,56,28,176
Total			6,34,85,43,749		5,91,53,79,670
PROFIT BEFORE EXTRAORDINARY INCOME & TAX					
			24,83,78,397		21,10,75,003
Add : Extraordinary Income			12,73,62,492		—
PROFIT BEFORE TAX			37,57,40,889		21,10,75,003
Provision For Tax					
Minimum Alternate Tax (MAT)		6,37,25,611		—	
Less : Mat Credit Entitlement		79,94,611		—	
Current Tax		5,57,31,000		3,83,80,000	
Deferred Tax		2,34,17,012		2,72,39,718	
Fringe Benefit Tax		—	7,91,48,012	5,00,200	6,61,19,918
PROFIT AFTER TAX			29,65,92,877		14,49,55,085
Add: Balance Brought Forward					
From Last Year			96,84,86,746		87,88,27,514
Prior Year Adjustments for Taxes & Others			(20,64,119)		(1,23,174)
Profit for Appropriation			1,26,30,15,504		1,02,36,59,425
APPROPRIATIONS					
Proposed Dividend			2,78,70,038		2,15,16,030
Tax on Dividend			47,36,513		36,56,649
Transfer to General Reserves			3,00,00,000		3,00,00,000
Balance carried to Balance-Sheet			1,20,04,08,953		96,84,86,746
			1,26,30,15,504		1,02,36,59,425
Notes to the Accounts					
Earning Per Share (In Rs.)					
Basic			16.49		8.08
– With Extraordinary Income			9.41		8.08
– Without Extraordinary Income			15.66		8.08
Diluted			8.94		8.08
– With Extraordinary Income					8.08
– Without Extraordinary Income					8.08

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.
Date : 29th May, 2010.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010		As at 31.03.2009	
SCHEDULE – A				
SHARE CAPITAL				
Authorised :				
3,50,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs. 10/- each		35,00,00,000		20,00,00,000
Issued & Subscribed :				
1,85,80,025 (Previous Year 1,79,30,025) Equity Shares of Rs. 10/- each fully paid-up. Ref Note No. 2 of Schedule - N		18,58,00,250		17,93,00,250
(Of the above Shares 10,00,000 Shares (F.Y. 1993-1994,) 15,00,000 Shares (F.Y. 2002-2003) 39,84,450 Shares (F.Y. 2007-2008) and 59,76,675 Shares (F.Y. 2008-09) are allotted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve.)		18,58,00,250		17,93,00,250
SCHEDULE – B				
RESERVES AND SURPLUS				
1. Revaluation Reserve :				
Balance as per last Balance-Sheet	1,01,26,792		1,08,20,798	
Less: Difference in depreciation on revalued cost of assets and that on its original cost.	6,94,006	94,32,786	6,94,006	1,01,26,792
2. Share Premium Account :				
Balance As per Last Balance Sheet	79,45,37,635		79,45,37,635	
Additions during the year	1,88,50,000	81,33,87,635	—	79,45,37,635
3. General Reserve :				
Balance as per last Balance Sheet	16,44,80,873		17,89,47,623	
Less : Bonus Issue Capitalisation	—		5,97,66,750	
Add : Forfeiture of Warrants advance Money	—		1,53,00,000	
Add : Transfer from Profit & Loss Account	3,00,00,000	19,44,80,873	3,00,00,000	16,44,80,873
4. Profit & Loss Account :				
Transferred from Profit & Loss Account		1,20,04,08,953		96,84,86,746
		2,21,77,10,247		1,93,76,32,046

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE – C		
SECURED LOANS		
1. Banks		
Cash Credit against Book Debts	46,97,24,201	48,37,98,423
2. Financial Institutions/Banks		
Against Plant & Machineries, Vehicles and Other Current Assets	1,00,44,34,455	67,76,45,184
	1,47,41,58,656	1,16,14,43,607
SCHEDULE – D		
UNSECURED LOANS		
1. Fixed Deposits	15,73,66,000	4,81,60,000
[Repayable in next 12 Months Rs. 2,41,58,000/- (Previous Year Rs. 1,21,12,000/-)]		
2. Non-Convertible Debentures	—	25,00,00,000
3. Advance – Preferential Warrants	92,62,500	—
	16,66,28,500	29,81,60,000

SCHEDULE – E

FIXED ASSETS & DEPRECIATION

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2009	Addition	Deduction	As at 31.03.2010	Upto 31.03.2009	For the Year	Adjustment	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	
Land	16,19,224	—	—	16,19,224	—	—	—	—	16,19,224	16,19,224	
Buildings	3,69,14,803	—	—	3,69,14,803	78,26,865	6,01,711	—	84,28,576	2,84,86,227	2,90,87,938	
Plant & Machinery	1,48,14,71,347	7,69,00,796	3,72,80,208	1,52,10,91,935	19,99,69,756	7,06,95,017	79,23,884	26,27,40,889	1,25,83,51,046	1,28,15,01,591	
Furniture, Fixtures & Office Equipment	3,98,70,863	73,71,463	—	4,72,42,326	1,67,58,485	23,56,094	—	1,91,14,579	2,81,27,747	2,31,12,378	
Vehicles	14,70,84,681	1,63,85,867	21,50,230	16,13,20,318	4,59,84,539	1,72,19,602	16,49,363	6,15,54,778	9,97,65,540	10,11,00,142	
Total	1,70,69,60,918	10,06,58,126	3,94,30,438	1,76,81,88,606	27,05,39,645	9,08,72,424	95,73,247	35,18,38,822	1,41,63,49,784	1,43,64,21,273	
Previous Year	1,62,02,74,390	17,66,24,007	8,99,37,479	1,70,69,60,918	20,74,05,193	8,63,22,182	2,31,87,730	27,05,39,645	1,43,64,21,273	1,41,28,69,197	

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

SCHEDULE – F

INVESTMENTS (TRADE) (AT COST)

Particulars	As at 31-03-2010		As at 31-03-2009	
	Qty. Nos.	Book value Rupees	Qty. Nos.	Book value Rupees
LONG TERM INVESTMENTS (AT BOOK VALUE)				
TRADE INVESTMENTS				
A. QUOTED & FULLY PAID :				
Equity Shares :				
Jyoti Structures Ltd. (Face Value Rs. 2 Per Share) (During the year 1021400 Nos. of Shares (Previous Year Nil) Sold.)	8,60,000	3,48,30,000	18,81,400	4,71,76,563
Total		3,48,30,000		4,71,76,563
B. UNQUOTED & FULLY PAID :				
Equity Shares :				
(1) The Saraswat Co-op. Bank Ltd. (Face Value Rs. 10/- each)	2,500	25,000	2,500	25,000
(2) The Janakalyan Sahakari Bank Ltd. (Face Value Rs. 10/ each)	50,000	5,00,000	50,000	5,00,000
(3) Valecha Chambers Condominium (Face Value Rs. 100/- each)	22	2,200	22	2,200
(4) The Thane Janta Sahakari Bank Ltd. (Face Value Rs. 50/- each)	—	—	1	50
(5) Varun Cements Ltd. (Face Value Rs. 10/- each)	42,800	2,20,000	42,800	2,20,000
Total		7,47,200		7,47,250
C. INVESTMENT IN WHOLLY OWNED SUBSIDIARY COMPANIES				
(1) Valecha Infrastructure Limited (Face Value Rs. 10/- each)	50,000	5,00,000	50,000	5,00,000
(2) Valecha International (FZE) - (Face Value)	1	18,33,420	1	20,68,080
		23,33,420		25,68,080
D. BUILDING VALECHA CHAMBERS				
Abstract :				
A. Quoted		3,48,30,000		4,71,76,563
B. Unquoted		7,47,200		7,47,250
C. Investment In Wholly Owned Subsidiary Companies		23,33,420		25,68,080
D. Building Valecha Chambers		4,49,73,441		4,49,73,441
Grand Total		8,28,84,061		9,54,65,334
Market Value of Quoted Investments in Shares :		13,97,07,000		10,21,60,020

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010		As at 31.03.2009	
SCHEDULE – G				
CURRENT ASSETS, LOANS AND ADVANCES				
1. Inventories :				
Closing Stock of Materials (As Certified by the Management)		40,79,94,252		36,04,09,707
		40,79,94,252		3,60,409,707
2. Work in Progress :		8,30,09,823		4,57,70,753
(As Certified by the Management)		8,30,09,823		4,57,70,753
3. Sundry Debtors :				
(Unsecured and Considered Good)				
(a) Exceeding Six months.		26,15,52,363		25,34,21,240
(b) Within Six Months.		1,16,08,75,210		98,15,90,499
		1,42,24,27,573		1,23,50,11,739
4. Cash and Bank Balances :				
(a) Cash on Hand				
(b) With Scheduled Banks		27,14,521		14,21,777
(i) In Current Accounts		20,15,77,923		6,13,93,183
(ii) In Deposit Accounts (Lien against Bank Guarantee & Letter of Credit Rs. 2,958.60 lacs) (Previous Year Rs. 1,997.62 lacs)		30,00,86,434		25,79,60,257
		50,43,78,878		32,07,75,217
5. Loans and Advances :				
(Unsecured and considered good)				
(a) Advance to Wholly Owned Subsidiary Company		96,31,25,117		64,62,55,117
(b) Advances recoverable in cash or in kind or for value to be received.		76,49,67,908		67,94,27,143
(c) Deposits with Contractees & Others		35,86,92,834		29,30,54,261
(d) Prepaid Taxes (Net of Provisions)				
Advance Tax Paid	45,58,42,406		34,03,41,654	
Less : Provision for Tax	22,23,81,611	23,34,60,795	15,86,56,000	18,16,85,654
		2,32,02,46,654		1,80,04,22,175
SCHEDULE – H				
CURRENT LIABILITIES AND PROVISIONS				
1. CURRENT LIABILITIES :				
(a) Sundry Creditors : (Ref. Note No. 14 of Schedule - N)		82,91,91,950		52,59,94,092
(b) Advances from Contractees		36,77,61,399		41,44,34,432
(c) Other Liabilities		78,14,53,414		59,35,76,046
		1,97,84,06,763		1,53,40,04,570
2. PROVISIONS :				
(a) Proposed Dividend		2,78,70,038		2,15,16,030
(b) Tax on Dividend		47,36,513		36,56,649
		3,26,06,551		2,51,72,679
Note : There are no amounts due and outstanding to be credited to Investor Education and Protection Fund				

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH, 2010**

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE – I		
OTHER INCOME		
(a) Rent (TDS Rs. 26,05,939/-) (Previous Year Rs. 82,38,799/-)	5,44,69,248	5,62,11,079
(b) Dividend : From Long Term Investments	7,74,068	15,05,128
(c) Miscellaneous Income	2,11,66,129	50,01,012
	7,64,09,445	6,27,17,219
SCHEDULE – J		
CONSTRUCTION EXPENSES		
(a) Materials		
Opening Stock of Material	36,04,09,707	33,61,91,579
Add : Purchases	2,12,56,90,052	1,68,00,31,772
	2,48,60,99,759	2,01,62,23,351
Less : Closing Stock	40,79,94,252	36,04,09,707
	2,07,81,05,507	1,65,58,13,644
(b) Sub-Contracting and Transportation Expenses	2,18,66,26,234	2,22,93,30,682
(c) Power and Fuel	19,64,24,822	18,46,73,191
(d) Value Added Tax, Service Tax & Labour Cess	20,45,62,736	10,39,69,761
(e) Repairs, Rent & Maintenances to Plant & Machineries and Vehicles	43,90,44,936	39,27,43,791
(f) Insurance	1,51,02,484	1,45,38,225
(g) Site Expenses	68,83,19,620	87,19,73,180
	5,80,81,86,339	5,45,30,42,474

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE – K		
EMPLOYEES REMUNERATION & WELFARE EXPENSES		
(a) Salaries, Wages, Gratuity and Bonus	20,72,59,111	16,33,06,697
(b) Contribution to Provident Fund, etc.	1,28,93,956	1,01,84,361
(c) Welfare Expenses	11,18,774	3,62,403
	22,12,71,841	17,38,53,461
SCHEDULE – L		
ADMINISTRATIVE AND OTHER EXPENSES		
(a) Rates & Taxes	64,36,272	38,47,396
(b) Printing and Stationery	11,52,192	9,81,614
(c) Telephone and Postage	19,19,368	23,03,663
(d) Advertisement	14,81,907	4,00,955
(e) Travelling & Conveyance	7,42,484	3,69,568
(f) Business Promotion	10,06,927	6,01,237
(g) Electricity Charges	17,90,430	18,80,143
(h) Professional Fees	1,22,84,208	1,61,18,732
(i) Office Maintenance	84,42,521	78,43,201
(j) Tender Expenses	98,26,254	29,72,311
(k) Bank charges	51,12,848	30,67,262
(l) Directors Remuneration	2,66,04,125	1,19,53,392
(m) Commission to Non Executive Directors	20,00,000	20,00,000
(n) Auditor's Remuneration	8,02,718	11,60,589
(o) General Expenses	12,56,309	17,93,348
(p) Loss on Sale of Assets	1,28,59,981	1,00,18,747
(q) Donation	2,00,000	—
	9,39,18,544	6,73,12,158
SCHEDULE – M		
FINANCIAL COST		
Interest Paid to :		
(a) Banks	12,09,52,502	10,43,37,486
(b) Institutions	1,93,02,490	2,72,70,474
(c) Others	5,76,53,939	4,11,69,439
	19,79,08,931	17,27,77,399
Less : (a) Interest earned (TDS of Rs. 39,90,514/-) (Previous Year Rs. 68,65,105/-)	4,59,09,356	3,73,09,934
(b) Profit/(Loss) on Foreign Exchange Fluctuation	1,70,10,968	(75,936)
	13,49,88,607	13,55,43,401

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
A. Cash flow from Operating Activities		
Profit Before Tax and Extraordinary Items	37,57,40,889	21,10,75,003
Add/(Deduct) Adjustment for :		
Depreciation	9,01,78,418	8,56,28,176
Financial cost	19,79,08,931	17,27,77,399
Dividend on Investment	(7,74,068)	(15,05,128)
Rent from Property	(5,44,69,248)	(5,62,11,079)
Miscellaneous Income	(2,11,66,129)	(50,01,012)
Interest Earned	(4,59,09,356)	(3,73,09,934)
Earning on Foreign Exchange	(1,70,10,968)	75,936
Loss/(Profit) on Sale of Fixed Assets	1,28,59,981	1,00,18,747
Profit on Sale of Long Term Investment	(12,73,62,492)	—
Operating Profit Before Working Capital Changes	40,99,95,958	37,95,48,108
Adjustment for :		
Trade and Other Receivables	(33,85,95,175)	(49,37,95,138)
Inventories/WIP	(8,48,23,615)	(2,27,40,687)
Trade and other Payables	44,44,02,192	19,38,78,344
Cash Generated From Operations	43,09,79,360	5,68,90,627
Direct Taxes (Paid)	(10,75,06,141)	(10,92,50,812)
Prior year adjustments	(20,64,119)	(1,23,174)
Net Cash Flow from Operating Activities	32,14,09,100	(5,24,83,359)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(10,06,58,126)	(17,66,24,007)
Proceeds from Sale of Fixed Assets	1,69,97,213	5,67,31,002
Proceeds from Sale of Investments	13,99,43,766	79,00,320
Advance to Subsidiary Company	(31,68,70,000)	34,85,985
Dividend on Investment	7,74,068	15,05,128
Interest Earned	4,59,09,356	3,73,09,934
Earning on Foreign Exchange	1,70,10,968	(75,936)
Rent and Miscellaneous Receipts	7,56,35,377	6,12,12,091
Net Cash Flow From Investing Activities	(12,12,57,378)	(85,55,483)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010 — (Contd.)

(Amount in Rs.)

	31.03.2010	31.03.2009
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	65,00,000	—
Proceeds from Share Premium	1,88,50,000	—
Proceeds from Long Term Borrowings	18,11,83,549	22,99,49,874
Financial Cost	(19,79,08,931)	(17,27,77,399)
Dividend Paid	(2,15,16,030)	(1,19,53,350)
Dividend Tax Paid	(36,56,649)	(20,31,472)
Net Cash Used in Financing Activities	(1,65,48,061)	4,31,87,653
Net Increase in Cash and Cash Equivalents	18,36,03,661	(1,78,51,189)
Opening Balance of Cash and Cash Equivalents	32,07,75,217	33,86,26,406
Closing Balance of Cash and Cash Equivalents (Ref: Schedule G (4))	50,43,78,878	32,07,75,217

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants

Dilip M. Jani
Proprietor

Place : Mumbai.
Date : 29th May, 2010.

For and on behalf of the Board

Anil Harish
Chairman

J. K. Valecha
Managing Director

SCHEDULE - N

NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2010

(1) Significant Accounting Policies:

A. Basis of Preparation of Accounts:

- i. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, subject to what is stated herein below, as adopted consistently by the Company.
- ii. The Company follows accrual system of accounting except otherwise stated.

B. Fixed Assets:

- i. 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.
- ii. 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.

C. Depreciation:

- i. Depreciation on Fixed Assets is calculated on “Straight Line Method” at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- ii. Depreciation on Revalued Assets, is calculated on their respective book values, at the rates considered applicable by the valuers. The additional charge of depreciation on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

D. Work-in progress:

Work-in-progress is valued at Cost or Net Realisable value whichever is Lower.

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.

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. Disclosure of the Revenue Recognition as per Accounting Standard – 7:

a. On Contracts:

- i. 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.

Disclosure as required under Accounting Standard – 7 for the contracts awarded after 01.04.2003 are given below:

(Rs. in lacs)

Sr. No.	Particulars	31.03.2010	31.03.2009
I.	Contract Revenue Recognised as revenue in the period	65,205.13	60,637.37
II.	Contract Costs Recognised as expenses in the period	60,001.74	56,149.32
III.	Recognised Profit	5,188.43	4,488.05
IV.	Progress Billings in the period	65,205.13	60,637.37
V.	Amount Due from customers (Amount Receivable - Bills)	14,224.28	12,350.12
VI.	Amount Due to customers (Mobilisation/Machinery advance)	3,677.61	4,144.34

- ii. 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.
- iii. 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.
- iv. Contracts executed in Joint Ventures under work sharing arrangement (Consortium) 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 a Income/(Loss) in the Books of account of the Company in the year in which the relative contract/s is/are completed/Income received.
- v. Site development including initial expenses (shown in work in progress) thereon is charged off proportionately within the stipulated period of contract from the date of revenue recognition.
- vi. Borrowing cost attributable to the acquisition of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognized as expenses in the period in which they are incurred.

b. Extraordinary Income:

Extraordinary Income of Rs. 12,73,62,492/- (Previous Year - Nil) pertains to Profit on Sale of 10,21,400 Nos. of Shares of M/s. Jyoti Structures Ltd.

H. Advances from Customers and Progress payments:

- i. Advances received from customers in respect of contracts are treated as liabilities.
- ii. Progress payments received are adjusted against amounts receivable from customers in respect of the contract of work performed.
- iii. 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.

I. Employees' Retirement and other Benefits:

i. Defined contribution Plan:

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

ii. Defined benefit plan:

The Company's Liability towards Gratuity are determined by Independent actuaries using the projected credit method. Actual gain and losses are recognised immediately in the Income and Expenses. 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, 2010.

Sr. No.	Particulars	Amount (Rs. in lacs)
1.	Changes in Present value of Obligations	
	Present value of Obligations as at beginning of year	66.70
	Interest Cost	5.34
	Current Service Cost	5.69
	Benefits paid	(3.50)
	Actuarial (Gain)/Loss on Obligations	21.64
	Present value of obligations as at end of year	95.87
2.	Changes in the fair value of plan assets	
	Fair value of plan assets at beginning of year	42.63
	Expected return on plan assets	3.79
	Contributions	32.80
	Benefits paid	(3.50)
	Actuarial (Gain)/Loss on Plan assets	Nil
	Fair value of plan assets at the end of year	75.72

Sr. No.	Particulars	Amount (Rs. in lacs)
3.	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	95.87
	Fair value of plan assets as at the end of the year	75.72
	Funded status paid till 31.3.2010	(20.15)
	Liability recognized in Balance Sheet	20.15
4.	Expenses Recognised in statement of Profit & Loss	
	Current Service Cost	5.69
	Interest Cost	5.34
	Expected return on plan assets	(3.79)
	Net Actuarial (Gain)/Loss recognized in the year	21.64
	Expenses recognized in statement of Profit & Loss	28.88

iii. The Company does not have scheme of leave encashment.

(2) Issue of Preferential Warrants and Equity Shares during the year:

During the year the Company has allotted 16,00,000 Preferential Warrants at the price of Rs. 39.00 per warrant. Out of the allotted 16,00,000 Preferential Warrants with an option to subscribe to equity shares on a future date, in respect of 6,50,000 warrants, the company had received the entire issue price for which equity shares were allotted with the nominal value of Rs. 10/- each with a premium of Rs. 29/- per share.

Consequent to the above, Share Capital is increased by Rs. 65,00,000/- and the Share Premium account by Rs. 1,88,50,000/- during the year.

(3) Contingent Liability:

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

Bank Guarantee and Letter of Credits outstanding amounting to Rs. 24,392.51 lacs (Previous Year Rs. 18,110.39 lacs)

(4) Provision for Taxes:

i. Current Tax:

The Provision for Income Tax is determined in accordance with provisions of Income Tax Act 1961.

ii. Deferred Tax Provision:

Deferred Tax charge or credit is recognized 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 Liability at the Year end comprises timing difference of :

(Rs. in lacs)

	Deferred Tax Liabilities (At Beginning of the Year)	Charged to P & L A/c. (During the Year)	Deferred Tax Liabilities (At End of the Year)
Depreciation – Current	1,585.63	234.17	1,819.80
Previous	1,313.23	272.40	1,585.63

(5) Foreign Currency Transaction:

i. Transactions denominated in Foreign Currency are normally recorded at Exchange Rate prevailing at the time of transactions.

ii. 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 recognized in Profit and Loss Account by reducing/increasing it from the Financial Costs.

(6) Segment reporting:

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

(7) Related Party Disclosure:

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 & Associate Companies/Firm		
1. Valecha Infrastructure Ltd.	Wholly Owned Subsidiary Company	100%
2. Valecha International (FZE)	Wholly Owned Subsidiary Company	100%
3. Gopaldas Vasudev Construction Pvt. Ltd.	Associate Company	Nil
4. Valecha Investment Pvt. Ltd	Associate Company	Nil
(B) Particulars of Joint Ventures & Consortium		
1. Ashoka Buildcon - Valecha Engineering Limited (Joint Venture)	Joint Venture Member	
2. Valecha - ECCI (Joint Venture)	Joint Venture Member	
3. Valecha - TBL (Joint Venture)	Joint Venture Member	
4. Valecha - Singla (Consortium)	Consortium Member	
(C) Key Management Personnel		
1. Anil Harish	Chairman	
2. Jagdish K. Valecha	Managing Director	
3. Ramchand H. Valecha *	Whole Time Director	
4. Umesh H. Valecha	Whole Time Director	
5. Arvind B. Gogate **	Whole Time Director	
6. Dinesh H. Valecha	Whole Time Director	
* Retired on 01/07/2009		
** Retired on 01/08/2009		

	(Rs. in lacs)	
(D) Transactions with Associate Companies/Firms	2009-10	2008-09
1. Advance Share Application Money Received	56.06	—
2. Deposit/Loans/Repayments received during the year	2109.20	376.04
3. Deposit/Loans given/Repaid during the year	1846.54	890.60
4. Rent Received	6.45	15.48
5. Interest Received	201.73	59.70
6. Outstanding Balance - Amount Receivables	382.53	645.19
(E) Transactions with Subsidiary Company		
1. Equity Contribution	25.68	25.68
2. Deposit/Loans/Repayment received during the year	39.00	34.90
3. Deposit/Loans given/repaid during the year	3207.70	0.04
4. Outstanding Balance - Amount Receivables	9631.25	6462.55
(F) Transactions with Joint Ventures & Consortium		
1. Sales	2362.21	4836.84
2. Outstanding Balance - Amount Receivables	550.43	485.62

(Rs. in lacs)

(G) Transactions with Persons referred to in Item (C) above	2009-2010	2008-2009
1. Remuneration paid during the year	266.04	119.53
2. Sitting Fees paid during the year	0.65	0.40
3. Commission paid during the year	—	8.00
4. Rent paid during the year	—	3.00
5. Fixed Deposit Receipts	—	45.00
6. Interest Paid	—	2.35

(8) Remuneration to Directors:

The amount paid or provided by way of remuneration to the Managing Director and the Whole Time Directors are as under:

(Rs. in lacs)

	2009-2010	2008-2009
(I) For Managing Director		
(i) Salary	57.10	26.34
(ii) Perquisites	3.79	1.10
Total	60.89	27.44
(II) For Whole Time Directors		
(i) Salary	202.25	90.28
(ii) Perquisites	2.90	1.82
Total	205.15	92.10
(III) Total	266.04	119.54

(9) Commission to Non-Executive Directors:

Computation of Net Profit in accordance with the Company's Act, 1956.

(Rs. in lacs)

	2009-2010	2008-2009
Profit Before Taxation as per Profit & Loss Account	3,757.40	2,110.75
Add: (1) Depreciation Provided in the Books	901.78	856.28
(2) Loss on Sale of Assets	128.60	100.18
	4,787.78	3,067.21
Less: (1) Depreciation under Section 350 of the Company's Act, 1956	901.78	856.28
(2) Profit on Sale of Investment	1,273.62	0.00
	2,612.38	2,210.93
Commission up to 1% thereof	26.12	22.10
Restricted by the Board of Directors of the Company	20.00	20.00

(10) Remuneration to Auditor:

(Rs. in lacs)

	2009-2010	2008-2009*
1. Audit Fee (* Includes Fees for Previous Year Rs. 3.00 lacs)	7.00	9.00
2. Taxation Matters	0.00	1.25
3. Certification & Others	0.31	0.27
4. Service Tax	0.72	1.09
Total	8.03	11.61

(11) Additional Information pursuant to the provision of part II Schedule VI to the Companies Act, 1956:

	2009-10	2008-09
	Rupees (in lacs)	Rupees (in lacs)
In respect of Foreign Exchange:		
(a) Foreign Exchange Receipts		
Receipts from Operation	1,080.67	—
(b) Expenditure in Foreign Currency		
i. C.I.F. Value of Imports		
(a) Capital Goods	110.73	711.88
(b) Components & Spare Parts	35.83	45.15
ii. Travelling Expenses & Others	23.25	1.35
(c) Outward Remittances	1,456.50	221.39
	No. of NRI Shareholders	No. of Share (Rupees in lacs)
(d) Remittance of Dividend in Foreign Currency		
In Respect of Financial Year 2008-09	216	1807755
In Respect of Financial Year 2007-08	210	1350443

(12) Earning Per Share:

Sr. Particulars	2009-10	2008-09
1. Net Profit after Tax (With Extraordinary Income) (Rs. in lacs)	2965.93	1449.55
Less: Extraordinary Income (Rs. in lacs)	1273.62	—
2. Net Profit after Tax & Extraordinary Income (Rs. in lacs)	1692.31	1449.55
3. Weighted average Number of shares for Basic EPS (Numbers in lacs)	179.84	179.30
4. Weighted average Number of shares for Diluted EPS (Numbers in lacs)	189.34	179.30
5. Basic Earning Per share (Rs.)		
With Extraordinary Income	16.49	8.08
Without Extraordinary Income	9.41	8.08
6. Diluted Earning Per share (Rs.)		
With Extraordinary Income	15.66	8.08
Without Extraordinary Income	8.94	8.08

- (13) Since the principal business of the Company is construction activity quantitative data in respect of trading and manufacturing activities carried out by the company as required by Part II of schedule VI to the Company's Act 1956 is not furnished.
- (14) The Company has not received any information from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006. (The Act) and hence disclosures regarding
- (a) Amounts due and outstanding to suppliers as at the end of the accounting year
 - (b) Interest paid during the year
 - (c) Interest payable at the end of the accounting year, and
 - (d) Interest accrued and unpaid at the end of the accounting year, has not been provided.
- The Company is making efforts to get the confirmation from the suppliers as regards their status under the Act. However, non of the supplier has confirmed the same.
- (15) 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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.

Date : 29th May, 2010.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	L74210MH1977PLC019535
State Code	11
Balance Sheet Date	31.03.2010

II. Capital Raised during the year

(Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	6,500

III. Position of Mobilisation & Development of Funds

(Amount in Rs. Thousands)

Source of Funds

Total Liabilities	42,26,278	Total Assets	42,26,278
Paid-up Capital	1,85,800	Reserves & Surplus	22,17,710
Secured Loans	14,74,159	Unsecured Loans	1,66,629

Application of Funds

Deferred Tax Liability	1,81,980
Investments	82,884
Share Issue Expenses	NIL
Accumulated Losses	NIL

IV. Performance of Company

(Amount in Rs. Thousands)

Total Income*	67,24,285	Total Expenditure	63,48,544
Profit/(Loss) before Tax	3,75,741	Profit/(Loss) after Tax	2,96,593
Earning per Share (Rs.)		Dividend Rate	15%
Basic	16.49		
Diluted	15.66		
With Extraordinary Income	9.41		
Without Extraordinary Income	8.94		

V. Generic Names of Principal Products/ Services of the Company

(As per Monetary basis) Item Code No.

NIL

Products Description

Infrastructure Development and Real Estate Development
--

* after considering Extraordinary Income

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants

For and on behalf of the Board

Dilip M. Jani

Proprietor

Kavita Valecha Sharma

Company Secretary

Anil Harish

Chairman

J. K. Valecha

Managing Director

Place : Mumbai.

Date : 29th May, 2010.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company M/s. Valecha Infrastructure Limited.

1. The Financial period of the Company ended on 31.3.2010.
 2. Shares of the Subsidiary Company held by M/s. Valecha Engineering Limited.
 - (a) Numbers : 50,000
 - (b) Face Value per share : Rs. 10/-
 - (c) Extent of holding : 100%
 3. The Net aggregate of Profit of the Subsidiary Company for the Accounting Period, so far as they concern the members of M/s. Valecha Engineering Limited:
 - (a) Dealt with in the account of M/s. Valecha Engineering Limited : Rs. 38.97 lacs
 - (b) Not dealt with in the account of M/s. Valecha Engineering Limited : Nil
-

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company M/s. Valecha International (FZE)

1. The Financial period of the Company ended on 31.3.2010.
 2. Shares of the Subsidiary Company held by M/s. Valecha Engineering Limited.
 - (a) Numbers : 1
 - (b) Face Value per share : Rs. 18,33,420/-
 - (c) Extent of holding : 100%
 3. The Net aggregate of Profit of the Subsidiary Company for the Accounting Period, so far as they concern the members of M/s. Valecha Engineering Limited:
 - (a) Dealt with in the account of M/s. Valecha Engineering Limited : Nil
 - (b) Not dealt with in the account of M/s. Valecha Engineering Limited : Nil
-

For and on behalf of the Board

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.

Date : 29th May, 2010.

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF VALECHA ENGINEERING LIMITED

We have audited the attached Consolidated Balance Sheet of VALECHA ENGINEERING LIMITED (“the Company”) and its subsidiaries (the company and its subsidiaries constitute ‘the Group’) as at 31st March, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company’s management and have been prepared by the management on the basis of separate financial statements and other financial information regarding the subsidiaries. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material mis-statements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 on “Consolidated Financial Statements”, issued by the Institute of Chartered Accountants

of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the Consolidated Financial Statements give a true & fair view in conformity with the Accounting Principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2010;
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **D. M. JANI & CO.**
Chartered Accountants

DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 29th May, 2010.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	SCHEDULE	As at 31st March, 2010		As at 31st March, 2009	
I SOURCES OF FUNDS :					
1. Shareholders' Funds :					
(a) Share Capital	A	18,58,00,250		17,93,00,250	
(b) Reserves & Surplus	B	2,22,75,01,414		1,94,35,26,520	
			2,41,33,01,664		2,12,28,26,770
2. Loan Funds :					
(a) Secured Loans	C	1,47,41,58,656		1,16,14,43,607	
(b) Unsecured Loans	D	16,66,28,500	1,64,07,87,156	29,81,60,000	1,45,96,03,607
3. Deferred Tax Liability :					
Total			18,19,80,058		15,85,63,046
			4,23,60,68,878		3,74,09,93,423
II APPLICATION OF FUNDS :					
1. Fixed Assets :					
(a) Gross Block	E	1,76,81,88,606		1,70,69,60,918	
(b) Less : Depreciation		35,18,38,822		27,05,39,645	
(c) Net Block			1,41,63,49,784		1,43,64,21,273
2. Investments					
	F		90,83,08,144		74,55,46,172
3. Current Assets, Loans & Advances :					
(a) Inventories	G	40,79,94,252		36,04,09,707	
(b) Work-in-Progress		8,30,09,823		4,57,70,753	
(c) Sundry Debtors		1,42,24,27,573		1,23,50,11,739	
(d) Cash & Bank Balances		50,72,69,584		32,09,29,270	
(e) Loans & Advances		1,50,17,34,062		1,15,60,92,788	
			3,92,24,35,294		3,11,82,14,257
Less : Current Liabilities and Provisions					
(a) Current Liabilities	H	1,97,84,17,793		1,53,40,15,600	
(b) Provisions		3,26,06,551		2,51,72,679	
			2,01,10,24,344		1,55,91,88,279
NET CURRENT ASSETS					
Total			1,91,14,10,950		1,55,90,25,978
			4,23,60,68,878		3,74,09,93,423
Notes to the Accounts					
	N				

 As per our report of even date
 For **D. M. JANI & CO.**
 Chartered Accountants

For and on behalf of the Board

Dilip M. Jani
 Proprietor

Kavita Valecha Sharma
 Company Secretary

Anil Harish
 Chairman

J. K. Valecha
 Managing Director

Place : Mumbai.

Date : 29th May, 2010.

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31st MARCH, 2010

(Amount in Rs.)

	SCHEDULE	As at 31st March, 2010		As at 31st March, 2009	
INCOME					
Receipts from Operations			6,52,05,12,701		6,06,37,37,454
Other Income	I		8,03,24,445		6,61,97,219
Total			6,60,08,37,146		6,12,99,34,673
EXPENDITURE					
Construction Expenses	J		5,80,81,86,339		5,45,30,42,474
Employees Remuneration & Welfare Expenses	K		22,12,71,841		17,38,53,461
Administrative & Other Expenses	L		9,39,36,851		6,73,27,202
Financial Cost	M		13,49,88,607		13,55,43,401
Depreciation/Amortisation		9,08,72,424		8,63,22,182	
Less : Amount withdrawn from Revaluation Reserve		6,94,006	9,01,78,418	6,94,006	8,56,28,176
Total			6,34,85,62,056		5,91,53,94,714
PROFIT BEFORE EXTRAORDINARY INCOME & TAX					
			25,22,75,090		21,45,39,959
Add : Extraordinary Income			12,73,62,492		—
PROFIT BEFORE TAX			37,96,37,582		21,45,39,959
Provision for Tax					
Minimum Alternate Tax (MAT)		6,37,25,611		—	
Less : Mat Credit Entitlement		79,94,611		—	
Current Tax		5,57,31,000		38,380,000	
Deferred Tax		2,34,17,012		27,239,718	
Fringe Benefit Tax		—	7,91,48,012	500,200	6,61,19,918
PROFIT AFTER TAX			30,04,89,570		14,84,20,041
Add : Balance Brought Forward from Last Year			97,48,34,246		88,17,10,058
Prior Year Adjustments for Taxes & Others			(20,64,119)		(1,23,174)
Profit for Appropriation			1,27,32,59,697		1,03,00,06,925
APPROPRIATIONS					
Proposed Dividend			2,78,70,038		2,15,16,030
Tax on Dividend			47,36,513		36,56,649
Transfer to General Reserves			3,00,00,000		3,00,00,000
Balance carried to Balance-Sheet			1,21,06,53,146		97,48,34,246
			1,27,32,59,697		1,03,00,06,925
Notes to the Accounts					
Earning Per Share (in Rs.)					
Basic					
– With Extraordinary Income			16.71		8.28
– Without Extraordinary Income			9.63		8.28
Diluted					
– With Extraordinary Income			15.87		8.28
– Without Extraordinary Income			9.14		8.28

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.

Date : 29th May, 2010.

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	As at 31st March, 2010		As at 31st March, 2009	
SCHEDULE – A				
SHARE CAPITAL				
Authorised :				
3,50,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs. 10/- each		35,00,00,000		20,00,00,000
Issued & Subscribed :				
1,85,80,025 (Previous Year 1,79,30,025) Equity Shares of Rs. 10/- each fully paid-up. Ref Note No. 2 of Schedule - N)		18,58,00,250		17,93,00,250
(Of the above Shares 10,00,000 Shares (F.Y. 1993-1994) 15,00,000 Shares (F.Y. 2002-2003) 39,84,450 Shares (F.Y. 2007-2008) and 59,76,675 Shares (F.Y. 2008-09) are allotted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve).		18,58,00,250		17,93,00,250
<hr/>				
SCHEDULE – B				
RESERVES AND SURPLUS				
1. Revaluation Reserve :				
Balance as per last Balance-Sheet	1,01,26,792		1,08,20,798	
Less : Difference in depreciation on revalued cost of assets and that on its original cost	6,94,006	94,32,786	6,94,006	1,01,26,792
2. Share Premium Account :				
Balance as per last Balance Sheet	79,40,84,609		79,40,84,609	
Additions during the year	1,88,50,000	81,29,34,609	—	79,40,84,609
3. General Reserve :				
Balance as per last Balance-Sheet	16,44,80,873		17,89,47,623	
Less : Bonus Issue Capitalisation	—		5,97,66,750	
Add : Forfeiture of Warrants advance Money	—		1,53,00,000	
Add : Transfer from Profit & Loss Account	3,00,00,000	19,44,80,873	3,00,00,000	16,44,80,873
4. Profit & Loss Account :				
Transferred from Profit & Loss Account		1,21,06,53,146		97,48,34,246
		2,22,75,01,414		1,94,35,26,520

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE – C		
SECURED LOANS		
1. Banks		
Cash Credit against Book Debts	46,97,24,201	48,37,98,423
2. Financial Institutions/Banks		
Against Plant & Machinery, Vehicles and Other Current Assets	1,00,44,34,455	67,76,45,184
	1,47,41,58,656	1,16,14,43,607
SCHEDULE – D		
UNSECURED LOANS		
1. Fixed Deposits		
(Repayable in next 12 Months Rs. 2,41,58,000/-)	15,73,66,000	4,81,60,000
Previous Year Rs. 1,21,12,000/-)		
2. Non-Convertible Debentures	—	25,00,00,000
3. Advance – Preferential Warrants	92,62,500	—
	16,66,28,500	29,81,60,000

SCHEDULE – E

FIXED ASSETS & DEPRECIATION

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2009	Addition	Deduction	As at 31.03.2010	Upto 31.03.2009	For the Year	Adjustment	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	
Land	16,19,224	—	—	16,19,224	—	—	—	—	16,19,224	16,19,224	
Buildings	3,69,14,803	—	—	3,69,14,803	78,26,865	6,01,711	—	84,28,576	2,84,86,227	2,90,87,938	
Plant & Machinery	1,48,14,71,347	7,69,00,796	3,72,80,208	1,52,10,91,935	19,99,69,756	7,06,95,017	79,23,884	26,27,40,889	1,25,83,51,046	1,28,15,01,591	
Furniture, Fixtures & Office Equipment	3,98,70,863	73,71,463	—	4,72,42,326	1,67,58,485	23,56,094	—	1,91,14,579	2,81,27,747	2,31,12,378	
Vehicles	14,70,84,681	1,63,85,867	21,50,230	16,13,20,318	4,59,84,539	1,72,19,602	16,49,363	6,15,54,778	9,97,65,540	10,11,00,142	
Total	1,70,69,60,918	10,06,58,126	3,94,30,438	1,76,81,88,606	27,05,39,645	9,08,72,424	95,73,247	35,18,38,822	1,41,63,49,784	1,43,64,21,273	
Previous Year	1,62,02,74,390	17,66,24,007	8,99,37,479	1,70,69,60,918	20,74,05,193	8,63,22,182	2,31,87,730	27,05,39,645	1,43,64,21,273	1,41,28,69,197	

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

SCHEDULE – F

INVESTMENTS (TRADE) (AT COST)

Particulars	As at 31.03.2010		As at 31.03.2009	
	Qty. Nos.	Book value Rupees	Qty. Nos.	Book value Rupees
LONG TERM INVESTMENTS (AT BOOK VALUE)				
TRADE INVESTMENTS				
A. QUOTED & FULLY PAID:				
Equity Shares :				
Jyoti Structures Ltd. (Face Value Rs. 2/- Per Share)	62,31,400	86,25,87,503	62,31,400	69,98,25,481
Total		86,25,87,503		69,98,25,481
B. UNQUOTED & FULLY PAID :				
Equity Shares :				
(1) The Saraswat Co-op. Bank Ltd. (Face Value Rs. 10/- each)	2,500	25,000	2,500	25,000
(2) The Janakalyan Sahakari Bank Ltd. (Face Value Rs. 10/- each)	50,000	5,00,000	50,000	5,00,000
(3) Valecha Chambers Condominium (Face Value Rs. 100/- each)	22	2,200	22	2,200
(4) The Thane Janta Sahakari Bank Ltd. (Face Value Rs. 50/- each)	—	—	1	50
(5) Varun Cements Ltd. (Face Value Rs. 10/- each)	42,800	2,20,000	42,800	2,20,000
Total		7,47,200		7,47,250
C. BUILDING VALECHA CHAMBERS		4,49,73,441		4,49,73,441
Abstract :				
A. Quoted		86,25,87,503		69,98,25,481
B. Unquoted		7,47,200		7,47,250
C. Building Valecha Chambers		4,49,73,441		4,49,73,441
Grand Total		90,83,08,144		74,55,46,172
Market Value of Quoted Investments in Shares :		1,01,22,90,930		33,83,65,020

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010		As at 31.03.2009	
SCHEDULE – G				
CURRENT ASSETS, LOANS AND ADVANCES				
1. Inventories :				
Closing Stock of Materials (As Certified by the Management)		40,79,94,252		36,04,09,707
		40,79,94,252		36,04,09,707
2. Work in Progress :		8,30,09,823		4,57,70,753
(As Certified by the Management)		8,30,09,823		4,57,70,753
3. Sundry Debtors :				
(Unsecured and Considered Good)				
(a) Exceeding Six months		26,15,52,363		25,34,21,240
(b) Within Six Months		1,16,08,75,210		98,15,90,499
		1,42,24,27,573		1,23,50,11,739
4. Cash and Bank Balances :				
(a) Cash on Hand		27,14,521		14,22,727
(b) With Scheduled Banks				
(i) In Current Accounts		20,44,68,629		6,15,46,286
(ii) In Deposit Accounts (Lien against Bank Guarantee & Letter of Credit Rs. 2,958.60 lacs) (Previous Year Rs. 1,997.62 lacs)		30,00,86,434		25,79,60,257
		50,72,69,584		32,09,29,270
5. Loans and Advances :				
(a) Advances recoverable in cash or in kind or for value to be received		90,95,80,433		68,13,52,873
(b) Deposits with Contractees & Others		35,86,92,834		29,30,54,261
(c) Prepaid Taxes (Net of Provisions)				
Advance Tax Paid	45,58,42,406		34,03,41,654	
Less : Provision for Tax	22,23,81,611	23,34,60,795	15,86,56,000	18,16,85,654
		1,50,17,34,062		1,15,60,92,788
SCHEDULE – H				
CURRENT LIABILITIES AND PROVISIONS				
1. CURRENT LIABILITIES :				
(a) Sundry Creditors : (Ref. Note No. 11 of Schedule - N)		82,91,91,950		52,59,94,092
(b) Advances from Contractees		36,77,61,399		41,44,34,432
(c) Other Liabilities		78,14,64,444		59,35,87,076
		1,97,84,17,793		1,53,40,15,600
2. PROVISIONS :				
(a) Proposed Dividend		2,78,70,038		2,15,16,030
(b) Tax on Dividend		47,36,513		36,56,649
		3,26,06,551		2,51,72,679
Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.				

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH, 2010**

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE – I		
OTHER INCOME		
(a) Rent (TDS Rs. 26,05,939/-) (Previous Year Rs. 82,38,799/-)	5,44,69,248	5,62,11,079
(b) Dividend : From Long Term Investments	46,89,068	49,85,128
(c) Miscellaneous Income	2,11,66,129	50,01,012
	8,03,24,445	6,61,97,219
SCHEDULE – J		
CONSTRUCTION EXPENSES		
(a) Materials		
Opening Stock of Material	36,04,09,707	33,61,91,579
Add : Purchases	2,12,56,90,052	1,68,00,31,772
	2,48,60,99,759	2,01,62,23,351
Less : Closing Stock	40,79,94,252	36,04,09,707
	2,07,81,05,507	1,65,58,13,644
(b) Sub-Contracting and Transportation Expenses	2,18,66,26,234	2,22,93,30,682
(c) Power and Fuel	19,64,24,822	18,46,73,191
(d) Value Added Tax, Service Tax & Labour Cess	20,45,62,736	10,39,69,761
(e) Repairs, Rent & Maintenances to Plant & Machinery and Vehicles	43,90,44,936	39,27,43,791
(f) Insurance	1,51,02,484	1,45,38,225
(g) Site Expenses	68,83,19,620	87,19,73,180
	5,80,81,86,339	5,45,30,42,474

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE – K		
EMPLOYEES REMUNERATION & WELFARE EXPENSES		
(a) Salaries, Wages, Gratuity and Bonus	20,72,59,111	16,33,06,697
(b) Contribution to Provident Fund, etc.	1,28,93,956	1,01,84,361
(c) Welfare Expenses	11,18,774	3,62,403
	22,12,71,841	17,38,53,461
SCHEDULE – L		
ADMINISTRATIVE AND OTHER EXPENSES		
(a) Rates & Taxes	64,42,599	38,51,411
(b) Printing and Stationery	11,52,192	9,81,614
(c) Telephone and Postage	19,19,368	23,03,663
(d) Advertisement	14,81,907	4,00,955
(e) Travelling & Conveyance	7,42,484	3,69,568
(f) Business Promotion	10,06,927	6,01,237
(g) Electricity Charges	17,90,430	18,80,142
(h) Professional Fees	1,22,84,208	1,61,18,732
(i) Office Maintenance	84,42,521	78,43,201
(j) Tender Expenses	98,26,254	29,72,311
(k) Bank Charges	51,13,798	30,67,262
(l) Directors Remuneration	2,66,04,125	1,19,53,392
(m) Commission to Non-Executive Directors	20,00,000	20,00,000
(n) Auditor's Remuneration	8,13,748	11,71,619
(o) General Expenses	12,56,309	17,93,348
(p) Loss on Sale of Assets	1,28,59,981	1,00,18,747
(q) Donation	2,00,000	—
	9,39,36,851	6,73,27,202
SCHEDULE – M		
FINANCIAL COST		
Interest Paid to :		
(a) Banks	12,09,52,502	10,43,37,486
(b) Institutions	1,93,02,490	2,72,70,474
(c) Others	5,76,53,939	4,11,69,439
	19,79,08,931	17,27,77,399
Less : (a) Interest Earned (TDS of Rs. 39,90,514/-) (Previous Year Rs. 68,65,105/-)	4,59,09,356	3,73,09,934
(b) Profit/(Loss) on Foreign Exchange Fluctuation	1,70,10,968	(75,936)
	13,49,88,607	13,55,43,401

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
A. Cash flow from Operating Activities		
Profit Before Tax and Extraordinary Items	37,96,37,582	21,45,39,959
Add/(Deduct) Adjustment for :		
Depreciation	9,01,78,418	8,56,28,176
Financial Cost	19,79,08,931	17,27,77,399
Dividend on Investment	(46,89,068)	(49,85,128)
Rent from Property	(5,44,69,248)	(5,62,11,079)
Miscellaneous Income	(2,11,66,129)	(50,01,012)
Interest Earned	(4,59,09,356)	(3,73,09,934)
Earning on Foreign Exchange	(1,70,10,968)	75,936
Loss/(Profit) on Sale of Fixed Assets	1,28,59,981	1,00,18,747
Profit on Sale of Long Term Investment	(12,73,62,492)	—
Operating Profit Before Working Capital Changes	40,99,77,651	37,95,33,064
Adjustment for :		
Trade and Other Receivables	(48,12,81,970)	(49,57,20,868)
Inventories/WIP	(8,48,23,615)	(2,27,40,687)
Trade and other Payables	44,44,02,193	19,38,78,139
Cash Generated from Operations	28,82,74,259	5,49,49,648
Direct Taxes (Paid)	(10,75,06,141)	(10,92,50,812)
Prior year adjustments	(20,64,119)	(1,23,174)
Net Cash Flow from Operating Activities	17,87,03,999	(5,44,24,338)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(10,06,58,126)	(17,66,24,007)
Proceeds from Sale of Fixed Assets	1,69,97,213	5,67,31,002
Proceeds from Sale of Investments	(3,53,99,480)	99,68,400
Dividend on Investment	46,89,068	49,85,128
Interest Earned	4,59,09,356	3,73,09,934
Earning on Foreign Exchange	1,70,10,968	(75,936)
Rent and Miscellaneous Receipts	7,56,35,377	6,12,12,091
Net Cash Flow from Investing Activities	2,41,84,376	(64,93,388)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	65,00,000	—
Proceeds from Share Premium	1,88,50,000	—
Proceeds from Long Term Borrowings	18,11,83,549	22,99,49,874
Financial Cost	(19,79,08,931)	(17,27,77,399)
Dividend Paid	(2,15,16,030)	(1,19,53,350)
Dividend Tax Paid	(36,56,649)	(20,31,472)
Net Cash Used in Financing Activities	(1,65,48,061)	4,31,87,653
Net Increase in Cash and Cash Equivalents	18,63,40,314	(1,77,30,073)
Opening Balance of Cash and Cash Equivalents	32,09,29,270	33,86,59,343
Closing Balance of Cash and Cash Equivalents	50,72,69,584	32,09,29,270
[Ref.: Schedule G(4)]		

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants

For and on behalf of the Board

Dilip M. Jani
Proprietor

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.

Date : 29th May, 2010.

SCHEDULE – N

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT 31st MARCH, 2010

(1) Significant Accounting Policies:

A. Consolidation of Accounts

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 Wholly Owned Subsidiary Companies namely M/s. Valecha Infrastructure Limited and M/s. Valecha International (FZE).

B. Basis of Preparation of Accounts:

- i. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, subject to what is stated herein below, as adopted consistently by the Company.
- ii. The Company follows accrual system of accounting except otherwise stated.

C. Fixed Assets:

- i. 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.
- ii. 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:

- i. Depreciation on Fixed Assets is calculated on “Straight Line Method” at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- ii. Depreciation on Revalued Assets, is calculated on their respective book values, at the rates considered applicable by the valuers. The additional charge of depreciation on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

E. Work-in-progress:

Work-in-progress is valued at Cost or Net Realisable value whichever is Lower.

F. 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.

G. 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.

H. Disclosure of the Revenue Recognition as per Accounting Standard – 7

(a) On Contracts:

- i. 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.

Disclosure as required under Accounting Standard – 7 for the contracts awarded after 01.04.2003 are given below:

(Rs. in lacs)

Sr. No.	Particulars	31.03.2010	31.03.2009
I	Contract Revenue Recognised as revenue in the period	65,205.13	60,637.37
II	Contract Costs Recognised as expenses in the period	60,001.74	56,149.32
III	Recognised Profit	5,188.43	4,488.05
IV	Progress Billings in the period	65,205.13	60,637.37
V	Amount Due from customers (Amount Receivable – Bills)	14,224.28	12,350.12
VI	Amount Due to customers (Mobilisation/Machinery advance)	3,677.61	4,144.34

- ii. 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.
- iii. 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.
- iv. Contracts executed in Joint Ventures under work sharing arrangement (Consortium) 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 a income/(Loss) in the Books of account of the Company in the year in which the relative contract/s is/are completed/Income received.
- v. Site development including initial expenses (shown in work in progress) thereon is charged off proportionately within the stipulated period of contract from the date of revenue recognition.
- vi. Borrowing cost attributable to the acquisition of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognized as expenses in the period in which they are incurred.

b. Extraordinary Income:

Extraordinary Income of Rs. 12,73,62,492/- (Previous Year – Nil) pertains to Profit on Sale of 10,21,400 Nos. of Shares of M/s. Jyoti Structures Ltd.

I. Advances from Customers and Progress payments:

- i. Advances received from customers in respect of contracts are treated as liabilities.
- ii. Progress payments received are adjusted against amounts receivable from customers in respect of the contract of work performed.
- iii. 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.

J. Employees’ Retirement and other Benefits:

i. Defined contribution Plan:

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

ii. Defined benefit plan:

The Company’s Liability towards Gratuity are determined by Independent actuaries using the projected credit method. Actual gain and losses are recognised immediately in the Income and Expenses. 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, 2010.

Sr. No.	Particulars	Amount (Rs. in lacs)
1.	Changes in Present value of Obligations	
	Present value of Obligations as at beginning of year	66.70
	Interest Cost	5.34
	Current Service Cost	5.69
	Benefits paid	(3.50)
	Actuarial (Gain)/Loss on Obligations	21.64
	Present value of obligations as at end of year	95.87

Sr. No.	Particulars	Amount (Rs. in lacs)
2.	Changes in the fair value of plan assets	
	Fair value of plan assets at beginning of year	42.63
	Expected return on plan assets	3.79
	Contributions	32.80
	Benefits paid	(3.50)
	Actuarial (Gain)/Loss on Plan assets	Nil
	Fair value of plan assets at the end of year	75.72
3.	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	95.87
	Fair value of plan assets as at the end of the year	75.72
	Funded status paid till 31.3.2010	(20.15)
	Liability recognized in balance sheet	20.15
4.	Expenses Recognised in statement of Profit & Loss	
	Current Service Cost	5.69
	Interest Cost	5.34
	Expected return on plan assets	(3.79)
	Net Actuarial (Gain)/Loss recognized in the year	21.64
	Expenses recognized in statement of Profit & Loss	28.88

iii. The Company does not have scheme of leave encashment.

(2) Issue of Preferential Warrants and Equity Shares during the year:

During the year the Company has allotted 16,00,000 Preferential Warrants at the price of Rs. 39.00 per warrant. Out of the allotted 16,00,000 Preferential Warrants with an option to subscribe to equity shares on a future date, in respect of 6,50,000 warrants, the Company had received the entire issue price for which equity shares were allotted with the nominal value of Rs. 10/- each with a premium of Rs. 29/- per share.

Consequent to the above, Share Capital is increased by Rs. 65,00,000/- and the Share Premium account by Rs. 1,88,50,000/- during the year.

(3) Contingent Liability:

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

Bank Guarantee and Letter of Credits outstanding amounting to Rs. 24,392.51 lacs (Previous Year Rs. 18,110.39 lacs).

(4) Provision for Taxes:

i. Current Tax:

The Provision for Income Tax is determined in accordance with provisions of Income Tax Act 1961.

ii. Deferred Tax Provision:

Deferred Tax charge or credit is recognized 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 Liability at the Year end comprises timing difference of

(Rs. in lacs)

	Deferred Tax Liabilities (At Beginning of the Year)	Charged to P & L A/c. (During the Year)	Deferred Tax Liabilities (At End of the Year)
Depreciation – Current	1,585.63	234.17	1,819.80
Previous	1,313.23	272.40	1,585.63

(5) Foreign Currency Transaction:

- 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 recognized in Profit and Loss Account by reducing/increasing it from the Financial Costs.

(6) Segment reporting:

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

(7) Related Party Disclosure:

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/Firm		
1. Gopaldas Vasudev Construction Pvt. Ltd.	Associate Company	Nil
2. Valecha Investment Pvt. Ltd.	Associate Company	Nil
(B) Particulars of Joint Ventures & Consortium		
1. Ashoka Buildcon – Valecha Engineering Limited (Joint Venture)	Joint Venture Member	
2. Valecha – ECCI (Joint Venture)	Joint Venture Member	
3. Valecha – TBL (Joint Venture)	Joint Venture Member	
4. Valecha – Singla (Consortium)	Consortium Member	
(C) Key Management Personnel		
1. Anil Harish	Chairman	
2. Jagdish K. Valecha	Managing Director	
3. Ramchand H. Valecha *	Whole Time Director	
4. Umesh H. Valecha	Whole Time Director	
5. Arvind B. Gogate **	Whole Time Director	
6. Dinesh H. Valecha	Whole Time Director	

* Retired on 01/07/2009

** Retired on 01/08/2009

(D) Transactions with Associate Companies/Firms

(Rs. in lacs)

	2009-10	2008-09
1. Advance Share Application Money Received	56.06	—
2. Deposit/Loans/Repayments received during the year	2,109.20	376.04
3. Deposit/Loans given/repaid during the year	1,846.54	890.60
4. Rent Received	6.45	15.48
5. Interest Received	201.73	59.70
6. Outstanding Balance – Amount Receivables	382.53	645.19
(E) Transactions with Joint Ventures & Consortium		
1. Sales	2,362.21	4,836.84
2. Outstanding Balance – Amount Receivables	550.43	485.62
(F) Transactions with Persons referred to in item (C) above		
1. Remuneration paid during the year	266.04	119.53
2. Sitting Fees paid during the year	0.65	0.40
3. Commission paid during the year	—	8.00
4. Rent paid during the year	—	3.00
5. Fixed Deposit Receipts	—	45.00
6. Interest Paid	—	2.35

(8) The Company has the following Joint Ventures/Consortium for execution of Projects awarded by the employer

Particulars of Joint Ventures & Consortium	Nature of Relationship
1. Ashoka Buildcon — Valecha Engineering Limited (Joint Venture)	Joint Venture Member
2. Valecha — ECCI (Joint Venture)	Joint Venture Member
3. Valecha — TBL (Joint Venture)	Joint Venture Member
4. Valecha — Singla (Consortium)	Consortium Member

The Joint Ventures/Consortium have no independent assets and liabilities except for trade receivables from the client and payables to the Ventures/Consortium Members in respect of work executed by them in their respective capacities. The Profit received is taken as other income in the Profit & Loss account of the year in which it is received.

(9) Earning Per Share:

Sr. No.	Particulars	2009-10	2008-09
1.	Net Profit after Tax (With Extraordinary Income) (Rs. in lacs)	3,004.90	1,484.20
	Less : Extraordinary Income (Rs. in lacs)	1,273.62	—
2.	Net Profit after Tax & Extraordinary Income (Rs. in lacs)	1,731.28	1,484.20
3.	Weighted average Number of shares for Basic EPS (Numbers in lacs)	179.84	179.30
4.	Weighted average Number of shares for Diluted EPS (Numbers in lacs)	189.34	179.30
5.	Basic Earning Per share (Rs.)		
	With Extraordinary Income	16.71	8.28
	Without Extraordinary Income	9.63	8.28
6.	Diluted Earning Per share (Rs.)		
	With Extraordinary Income	15.87	8.28
	Without Extraordinary Income	9.14	8.28

(10) Since the principal business of the Company is construction activity quantitative data in respect of trading and manufacturing activities carried out by the Company as required by Part II of schedule VI to the Company's Act, 1956 is not furnished.

(11) The Company has not received any information from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006. (The Act) and hence disclosures regarding

- Amounts due and outstanding to suppliers as at the end of the accounting year
- Interest paid during the year
- Interest payable at the end of the accounting year, and
- Interest accrued and unpaid at the end of the accounting year, has not been provided.

The Company is making efforts to get the confirmation from the suppliers as regards their status under the Act. However, none of the supplier has confirmed the same.

(12) 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

For and on behalf of the Board

Dilip M. Jani
Proprietor

Kavita Valecha Sharma
Company Secretary

Anil Harish
Chairman

J. K. Valecha
Managing Director

Place : Mumbai.

Date : 29th May, 2010.

CONSOLIDATED BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	L74210MH1977PLC019535
State Code	11
Balance Sheet Date	31.03.2010

II. Capital Raised during the year

(Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	6,500

III. Position of Mobilisation & Development of Funds

(Amount in Rs. Thousand)

Total Liabilities	42,36,069	Total Assets	42,36,069	
Source of Funds		Reserves & Surplus	22,27,501	
	Paid-up Capital	1,85,800	Unsecured Loans	1,66,629
	Secured Loans	14,74,159	Deferred Tax Liability	1,81,980
Application of Funds		Net Fixed Assets	14,16,350	
	Net Current Assets	19,11,411	Investments	9,08,308
			Share Issue Expenses	NIL
			Accumulated Losses	NIL

IV. Performance of Company

(Amount in Rs. Thousands)

Total Income*	67,28,200	Total Expenditure	63,48,562
Profit/(Loss) before Tax	3,79,638	Profit/(Loss) after Tax	3,00,490
Earning per Share (Rs.)		Dividend Rate	15%
Basic	16.71		
Diluted	15.87		
With Extraordinary Income	9.63		
Without Extraordinary Income	9.14		

V. Generic Names of Principal Products/ Services of the Company

(As per Monetary basis) Item Code No.

Products Description

NIL
Infrastructure Development and Real Estate Development

* after considering Extraordinary Income

As per our report of even date
For **D. M. JANI & CO.**
Chartered Accountants

For and on behalf of the Board

Dilip M. Jani

Proprietor

Kavita Valecha Sharma

Company Secretary

Anil Harish

Chairman

J. K. Valecha

Managing Director

Place : Mumbai.

Date : 29th May, 2010.

DIRECTORS' REPORT

The Directors submit their Sixteenth Annual Report and the Statements of Account for the year ended 31st March, 2010.

Your Company is the Wholly owned subsidiary of M/s. Valecha Engineering Limited.

During the year, the Company has not transacted any business.

The Directors do not recommend any dividend for the year ended 31st March, 2010.

In accordance with the provisions of the Companies Act, 1956, and the Articles of the Association of the Company, Mr. Dinesh H. Valecha will retire by rotation and is eligible for re-appointment.

M/s. D. M. Jani & Co., the Auditors of the Company have, pursuant to Section 224 (1) of the Companies Act, 1956, furnished their consent for re-appointment as the Company's Auditors at the Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The operational activities of the Company have not commenced yet, hence the same is not applicable.

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended. There is no employee drawing salary in excess of the limits prescribed by the said Act.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm; that in the preparation of the annual accounts, the applicable accounting standards have been followed. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

For and on behalf of the Board

D. H. Valecha **J. K. Valecha**
Director *Director*

Place : Mumbai

Date : 29th May, 2010

REPORT OF THE AUDITOR TO THE MEMBERS

We have audited the attached Balance Sheet of **VALECHA INFRASTRUCTURE LIMITED**, as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement for year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Audit Report) Order, 2003 issued by the Central Government of India in terms of sub-section 4(A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.

- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) In our opinion and based on information and explanations given to us, none of the Director is disqualified as on 31st March, 2010 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **D. M. JANI & CO.**
Chartered Accountants
DILIP M. JANI
Proprietor
Membership No. 17259

Place : Mumbai
Date : 29th May, 2010

ANNEXURE TO THE AUDITOR'S REPORT

ANNEXURE REFERRED TO IN ITEM NO. 2 OF THE REPORT OF THE AUDITOR TO THE MEMBERS OF VALECHA INFRASTRUCTURE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010.

We report that:

1. (a) The Company has taken loan from one Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1751.08 lacs and the year end balance of loans taken from such parties was Rs. 8174.75 lacs. The Company has not granted loans secured or unsecured to the companies, firm or other parties covered in the register maintained u/s. 301 of the Companies Act, 1956.
(b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
(c) In respect of loan taken by the Company, it is repayable on demand and therefore the question of overdue amount does not arise.
2. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
3. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year that need to be entered in the register maintained under that section.
4. The Company has not accepted deposits from the public.
5. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
6. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us there are no dues of Provident Fund, Employees

State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Service Tax, Cess and other material statutory dues as applicable with the appropriate authorities.

- (b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
8. The Company has no accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
11. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
12. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions during the year.
13. According to the information and explanation given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
14. According to the information and explanations given to us, during the period the Company has not issued any debentures.
15. The Company has not raised any money by public issues during the year.
16. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
17. Clauses number i (a, b, c), ii (a, b, c), xi, xvi, and xvii, of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

For **D. M. JANI & CO.**
Chartered Accountants

DILIP M. JANI
Proprietor

Membership No. 17259

Place : Mumbai
Date : 29th May, 2010

BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	SCHEDULE	As at 31st March, 2010		As at 31st March, 2009	
I. SOURCES OF FUNDS:					
1. Shareholders' Funds:					
Share Capital	A		5,00,000		5,00,000
Profit & Loss A/c.	B		97,91,164		58,94,471
2. Loan Funds:					
Unsecured Loans	C		81,74,75,117		64,62,55,117
Total			82,77,66,281		65,26,49,588
II. APPLICATION OF FUNDS:					
1. Investments	D		82,77,57,503		65,26,48,918
2. Current Assets, Loans & Advances	E				
Cash & Bank Balances		19,808		11,700	
		19,808		11,700	
Less: Current Liabilities and Provisions	F				
Current Liabilities		11,030		11,030	
NET CURRENT ASSETS			8,778		670
Total			82,77,66,281		65,26,49,588
Notes to the Accounts	G				

As per our report of even date

For **D. M. JANI & Co.**

Chartered Accountants

For and on behalf of the Board

Dilip M. Jani

Proprietor

Place : Mumbai.

Date : 29th May, 2010

D. H. Valecha

Director

J. K. Valecha

Director

PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31st MARCH, 2010

(Amount in Rs.)

	SCHEDULE	As at 31st March, 2010		As at 31st March, 2009	
I. INCOME					
Other Income			39,15,000		34,80,000
Total			39,15,000		34,80,000
II. EXPENDITURE					
ROC Charges		6,327		4,015	
Bank Charges		950		—	
Auditors Remuneration		11,030		11,030	
			18,307		15,045
Total Expenses			18,307		15,045
Profit Before Tax			38,96,693		34,64,955
Provision for Tax			—		—
Profit After Tax			38,96,693		34,64,955
Notes to the Accounts	G				

As per our report of even date

For **D. M. JANI & Co.**
Chartered Accountants

For and on behalf of the Board

Dilip M. Jani

Proprietor

Place : Mumbai.

Date : 29th May, 2010

D. H. Valecha

Director

J. K. Valecha

Director

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010		As at 31.03.2009	
SCHEDULE – A				
SHARE CAPITAL				
Authorised				
20,00,000 Equity Shares of Rs. 10/- each		2,00,00,000		2,00,00,000
40,00,000 Pref. Shares of Rs. 10/- each		4,00,00,000		4,00,00,000
		6,00,00,000		6,00,00,000
Issued & Subscribed				
50,000 Equity Shares of Rs. 10/- each fully paid up		5,00,000		5,00,000
		5,00,000		5,00,000
SCHEDULE – B				
PROFIT & LOSS ACCOUNT				
Profit & Loss A/c. as per last Balance Sheet	58,94,471		24,29,516	
Add: Profit Transferred from P & L A/c.	38,96,693	97,91,164	34,64,955	58,94,471
		97,91,164		58,94,471
SCHEDULE – C				
UNSECURED LOANS				
Advance from Holding Company		81,74,75,117		64,62,55,117
		81,74,75,117		64,62,55,117
SCHEDULE – D				
INVESTMENTS: (AT COST)				
QUOTED				
53,71,400 Equity shares of Jyoti Structures Ltd. (During the year 10,21,400 Nos. of Shares Purchased) (Face Value of Rs. 2/- each)		82,77,57,503		65,26,48,918
		82,77,57,503		65,26,48,918
Market Value of Investment in Shares		87,25,83,930		23,62,05,000
SCHEDULE – E				
CURRENT ASSETS, LOANS AND ADVANCES				
Cash and Bank Balances:				
Cash Balance on hand		—		950
Bank Balance		19,808		10,750
		19,808		11,700
SCHEDULE – F				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Provision for Expenses		11,030		11,030
		11,030		11,030

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
A. Cash flow from Operating Activities		
Profit Before Tax and Extraordinary Item	38,96,693	34,64,955
Add/(Deduct) Adjustment for:		
Dividend on Investment	(39,15,000)	(34,80,000)
Operating Profit before working capital changes:	(18,307)	(15,045)
Trade and other Payables	—	(206)
Net Cash Flow from Operating Activities	(18,307)	(15,251)
B. Cash Flow from Investing Activities		
Dividend on Investment	39,15,000	34,80,000
Purchase of Investments	(17,51,08,585)	—
Net Cash Flow From Investing Activities	(17,11,93,585)	34,80,000
C. Cash Flow from Financing Activities		
Proceeds from Borrowing	17,12,20,000	(34,85,986)
Net Cash Used in Financing Activities	17,12,20,000	(34,85,986)
Net Increase in Cash and Cash Equivalents	8,108	(21,237)
Opening Balance of Cash and Cash Equivalents	11,700	32,937
Closing Balance of Cash and Cash Equivalents	19,808	11,700

As per our report of even date

For **D. M. JANI & Co.**
Chartered Accountants

For and on behalf of the Board

Dilip M. Jani
Proprietor
Place : Mumbai.
Date : 29th May, 2010

D. H. Valecha
Director

J. K. Valecha
Director

SCHEDULE - G

NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2010

(1) Significant Accounting Policies:

A. The commercial activity is yet to commence. However there is a receipt of Dividend income during the year, hence the Profit & Loss accounts has been prepared.

B. Basis of Preparation of Accounts:

(i) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, subject to what is stated herein below, as adopted consistently by the Company.

(ii) The Company follows accrual system of accounting except otherwise stated.

C. Investments:

Long term Investments are stated at cost.

(2) Contingent Liability:

There is no Contingent Liabilities as on 31.3.2010.

(3) Segment Reporting:

There is no segment to be reported hence the AS-17 is not applicable.

(4) Related Party Disclosure:

The Company has taken advance from its parent company M/s. Valecha Engineering Limited and the outstanding balance of such Advance/Loans was Rs. 8,174.75 Lacs at the year end. (Previous year Rs. 6,462.55 Lacs)

(5) Remuneration to Auditor:

(Amount in Rs.)

	2009-2010	2008-2009
1. Audit Fee	10,000	10,000
2. Service Tax	1,030	1,030
Total	11,030	11,030

(6) Additional information pursuant to the provisions of para 3 & 4 of para II of schedule VI of the Companies Act, 1956 to the extent applicable to the Company.

	2009-10
<u>Quantitative information</u>	
(a) As regards opening stock, Closing Stock, Purchases, Sales	: Nil
(b) Licensed Capacity installed Capacity & Accrual Production	: Nil
(c) Value of imports on C.I.F. basis	: Nil
(d) Expenditure and Foreign currencies	: Nil
(e) Value of imported/indigenous Raw materials, spare parts and Components consumed during the Year	: Nil
(f) Amounts remitted during the Year in foreign currencies	: Nil
(g) Earning in foreign currencies	: Nil

(7) 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

For and on behalf of the Board

Dilip M. Jani

Proprietor

Place : Mumbai.

Date : 29th May, 2010

D. H. Valecha

Director

J. K. Valecha

Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	U55101MH1995PLC084399
State Code	11
Balance Sheet Date	31.03.2010

II. Capital Raised during the year

(Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation & Development of Funds

(Amount in Rs. Thousands)

Source of Funds

Total Liabilities	8,27,766	Total Assets	8,27,766
Paid-up Capital	500	Reserves & Surplus	9,791
Secured Loans	NIL	Unsecured Loans	8,17,475

Application of Funds

Net Fixed Assets	NIL	Deferred Tax Liability	NIL
Net Current Assets	9	Investments	8,27,757
		Share Issue Expenses	NIL
		Accumulated Losses	NIL

IV. Performance of Company

(Amount in Rs. Thousands)

Total Income	3,915	Total Expenditure	18
Profit/(Loss) before Tax	3,897	Profit/(Loss) after Tax	3,897
Earning per Share (Rs.)	N.A.	Dividend Rate	N.A.

V. Generic Names of Principal Products/ Services of the Company

(As per Monetary basis) Item Code No.

Products Description

NIL
Infrastructure Development and Real Estate Development

As per our report of even date

For **D. M. JANI & Co.**
Chartered Accountants

Dilip M. Jani

Proprietor

Place : Mumbai.

Date : 29th May, 2010

For and on behalf of the Board

D. H. Valecha

Director

J. K. Valecha

Director

Valecha International (FZE) is a limited liability establishment incorporated and licensed on 23.03.2009 at Sharjah Airport International Free Zone (SAIF-Zone). The paid up share capital of the Company is One share of AED 1,50,000 and the entire share capital is invested by M/s. Valecha Engineering Limited and as a result, M/s. Valecha International (FZE) became the wholly Owned Subsidiary of Valecha Engineering Limited. Mumbai.

During the year there was no business transacted in this Company. However its assets and liabilities position as on 31-3-2010 stands as under:

(Amount in Rs.)

Sr. No.	Particulars	31.03.2010	31.03.2009
1.	Liabilities		
	Share Capital	18,33,420	20,68,080
	Loans	14,56,50,000	—
	Total Liabilities	14,74,83,420	20,68,080
2.	Assets		
	Current Assets		
	Bank Balance	28,70,898	1,42,353
	Loans & Advances	14,43,13,369	8,23,509
	Preliminary Expenses & others	2,99,153	11,02,218
	Total Assets	14,74,83,420	20,68,080

(1 AED = INR 12.2228 as on 31.3.2010 & 1 AED = INR 13.7872 as on 31.3.2009)

For Valecha International (FZE)

U. H. Valecha

Director

Place : Mumbai.

Date : 29th May, 2010

FINANCIALS AT A GLANCE

(Rs. in Lacs)

PARTICULARS	2009-10	2008-09	2007-08	2006-07	2005-06
Total Income	65,969	61,265	50,147	25,146	15,483
Operating Expenses	61,234	56,943	46,671	23,009	14,041
Operating Profit	4,735	4,322	3,476	2,137	1,442
Finance Charges	1,350	1,355	690	149	198
Depreciation	902	856	749	498	288
Profit Before Tax	2,484	2,111	2,037	1,490	956
Profit After Tax	1,692	1,449	1,416	964	682
Extraordinary Income	1,274	—	1,879	1,811	1,999
PAT With Extraordinary Income	2,966	1,449	3,295	2,775	2,681
Equity	1,858	1,793	1,195	730	692
Reserves	22,177	19,376	18,632	14,482	11,103
Net Worth	24,035	21,169	19,827	15,212	11,795
What we owned					
Fixed Assets					
Gross Block	17,682	17,070	16,203	13,259	6,531
Less : Depreciation	3,518	2,706	2,074	1,610	1,401
Net Block	14,163	14,364	14,129	11,649	5,130
Capital Work In Progress	—	—	—	1,827	—
Investments	829	955	1,034	702	815
Working Capital	27,270	22,032	18,427	9,922	11,239
Total	42,263	37,351	33,590	24,100	17,184
What we owed					
Secured Loans	14,742	11,614	12,052	7,205	4,079
Unsecured Loans	1,666	2,982	398	668	529
Deferred Tax Liability	1,820	1,586	1,313	1,015	782
Total	18,228	16,182	13,763	8,888	5,390
Net Worth	24,035	21,169	19,827	15,212	11,795
Represented By					
Share Capital	1,858	1,793	1,195	730	692
Reserves & Surplus	22,177	19,376	18,632	14,482	11,103



VALECHA ENGINEERING LIMITED

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

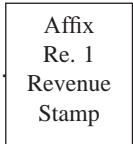
PROXY FORM

Reg. Folio No. No. of Shares held

I/We.....
of.....being a member/members of the above named
Company, hereby appoint.....
..... of or failing him
..... of

as my/our proxy to attend and vote for me/us on my/our behalf at the Thirty-Third Annual General Meeting of the Company to be held on Friday, the 30th July, 2010 at 4-00 p.m. at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai-400 018 and at any adjournment thereof.

Signed thisday of.....2010 Signature



Note: Proxy Forms must reach the Company's Registered Office not less than 48 hours before the meeting.

- TEAR HERE -

TEAR HERE



VALECHA ENGINEERING LIMITED

Registered Office:

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

33rd Annual General Meeting — 30th July, 2010

at Sunville Banquet Hall, 9, Dr. Annie Besant Road, Worli, Mumbai -400 018.

I hereby record my presence at the Thirty-Third Annual General Meeting to be held on Friday, the 30th July, 2010 at 4-00 p.m. and at any adjournment thereof.

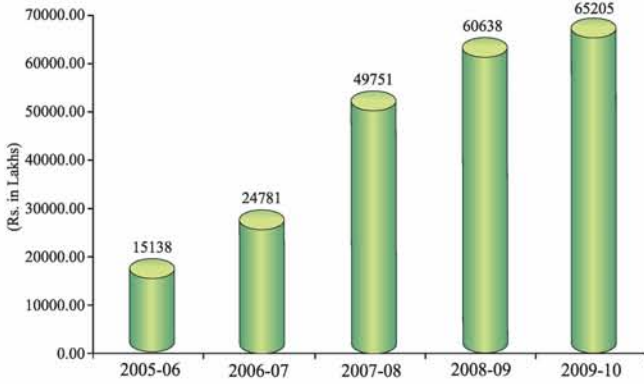
Full name of Member (IN BLOCK LETTERS)

Reg. Folio No. No. of Shares held

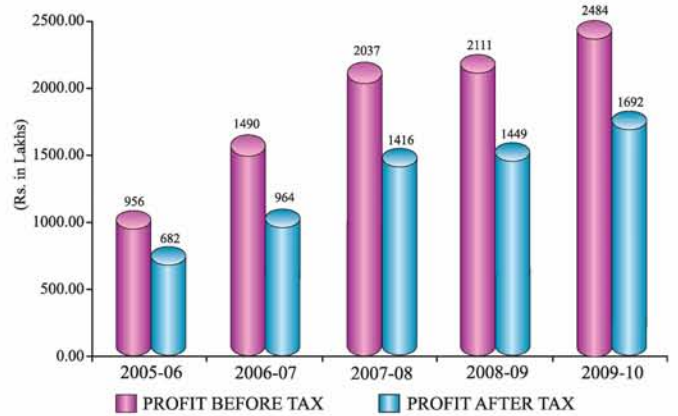
Full name of Proxy (IN BLOCK LETTERS)

Member's/Proxy's Signature

TURNOVER

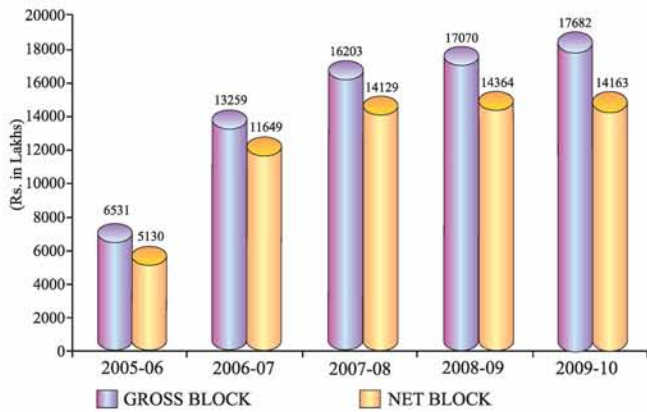


PROFIT BEFORE TAX & AFTER TAX*

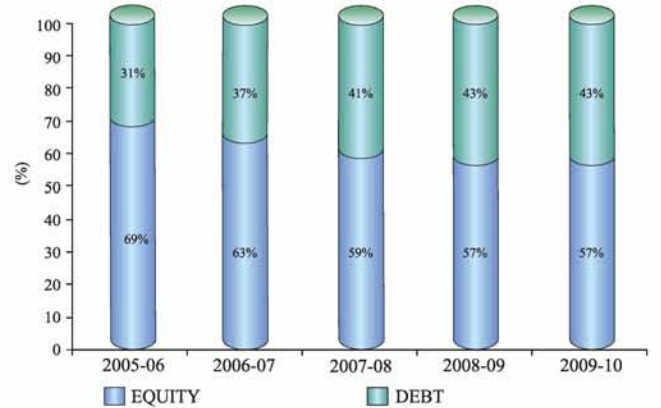


* Without Extraordinary Income

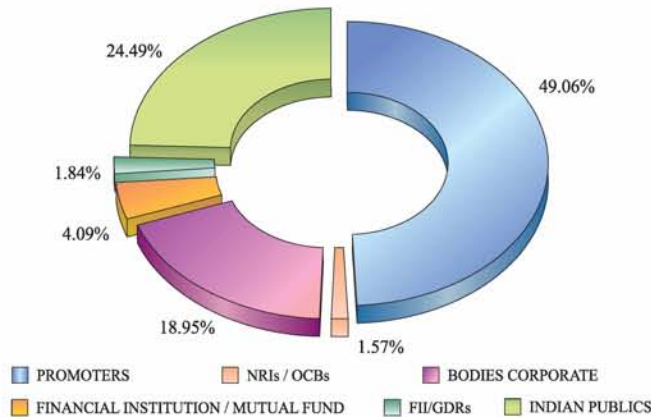
FIXED ASSETS



NET GEARING



SHAREHOLDING PATTERN AS AT MARCH 31, 2010



Registered Office:

"Valecha Chambers", 4th Floor,

Plot No. B-6, Andheri New Link Road,

Andheri (West), Mumbai - 400 053.

Tel: 2673 3625, 2673 3238 • Fax: 2673 3945

E-mail: ho@valecha.in / investor.relations@valecha.in

Website: www.valechaeng.com