



**Annual Report  
2013-2014**

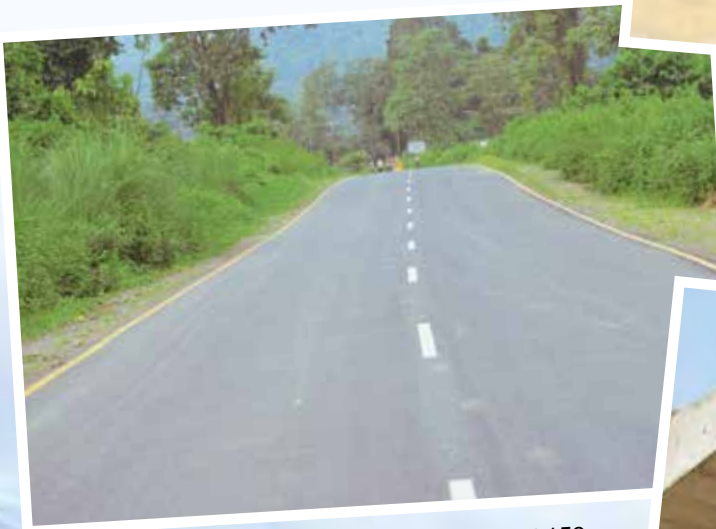
**VALECHA ENGINEERING LIMITED**



Kohinoor, Dadar



Cut and Cover - NW Railway Tunnel  
Lalsot, Jaipur (Rajasthan)



Ledo - Pangsu Pass section 7 NH 153,  
Arunachal Pradesh



PSC Girder launching at Varachha, FOB, Surat

## Board of Directors

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

## Company Secretary

Kavita Valecha Sharma

## Auditors:

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

## Consortium Bankers:

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

## Solicitors:

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

## Registrars and Transfer Agents:

TSR Darashaw Limited  
6-10 Haji Moosa Patrawala Ind. Estate  
20, Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai-400 011.  
CIN: U67120MH1985PTC037369  
Tel. : 66568484  
Fax : 66568494

## Registered Office:

“Valecha Chambers”, 4th Floor,  
Andheri New Link Road,  
Andheri (West), Mumbai-400 053.  
CIN: L74210MH1977PLC019535  
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 Seventh Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on Monday, 29th September, 2014 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, 2014 and the statement of Profit & Loss Account for the financial year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in the place of Mr. Dinesh H. Valecha (DIN: 00012945) who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

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

### SPECIAL BUSINESS:

5. To appoint Mr. Anil Harish (DIN: 00001685) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Anil Harish (DIN: 00001685), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto one year commencing from April 1, 2014, not liable to retire by rotation."

6. To appoint Mr. G. Ramachandran (DIN: 00102506) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or

re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. G. Ramachandran (DIN: 00102506), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation."

7. To appoint Mr. Arvind Thakkar (DIN: 02208108) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Arvind Thakkar (DIN: 02208108), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation."

8. To approve the payment of remuneration to Non-Executive Directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of all previous resolution passed in this behalf, in accordance with the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act") read with the Articles of Association of the Company, the Directors of the Company (including the alternate Directors), who are neither in the whole time employment of the Company nor are the Managing Director(s)/Manager of the Company, be paid, in respect of each of the financial years of the Company, for a period of five consecutive years commencing from 1st April, 2014, a remuneration by way of commission not exceeding an amount equal to one per cent of the net profits of the Company as computed under Section 198 of the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to decide, from time to time, the quantum and manner of distribution of the amount of commission to one or more Directors within the limits prescribed and in terms of the Act.

**RESOLVED FURTHER THAT** the aforesaid commission shall be exclusive of the fees payable to such Directors for attending the meetings of the Board and the Committees thereof.

**RESOLVED FURTHER THAT** consent of the Company be and the same is hereby accorded for payment of the aforesaid commission to such Directors who may be relatives/partners of other Directors.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution”.

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** for borrowings power of the Board of Directors:

“**RESOLVED THAT** in supersession of all previous resolutions passed in this behalf and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), or re-enactments thereto for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution and that the power to delegate such authority to any person(s)], to borrow any sum or sums of money, from time to time for the purpose of business of the Company, upon such terms and conditions and with/without security, as the Board of Directors may, in its absolute discretion, think fit and proper, notwithstanding the fact that the money or monies to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 900 crores (Rupees nine hundred crore only) over and above the aggregate of the paid-up share capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/Officers, one or more Director/Whole-time Director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this Resolution.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** for creation of charges:

“**RESOLVED THAT** in supersession of all previous resolutions passed in this behalf, and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 the rules made thereunder (including any statutory modification(s) or re-enactments thereto for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution and that the power to delegate such authority to any person(s)], to create such charges and/or mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company’s moveable and immoveable properties and assets, present and future, comprised in any undertaking or undertakings of the Company, as the case may be, in favor of the Lenders viz. financial institutions/banks/insurance companies or person or persons, and/or trustees for the holders of debentures/bonds/other instruments to secure the repayment of loan/borrowings sanctioned and/or to be sanctioned by them from time to time for a sum not exceeding ₹ 900 crores (Rupees nine hundred crore only) over and above the aggregate of the paid up share capital of the Company and its free reserves and apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business as per the approval of shareholders under Section 180 (1)(c) of the Companies Act, 2013 and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of such loans/borrowings as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/Officers, one or more Director/Managing Director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this Resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (the “Act”) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government if required, consent of the members be and is hereby accorded to Mr. Kapil Valecha, - Sr. Executive, a relative of Director of the Company to hold and continue to hold an office or place of profit as Sr. Executive of the Company at a remuneration not exceeding ₹ 1,50,000/- (Rupees one lakh fifty thousand only) per month including allowances, perquisites and benefits as per the policies of the Company w.e.f. 1st June, 2014.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things (including delegate such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

By order of the Board  
KAVITA VALECHA SHARMA  
*Company Secretary*

Place : Mumbai

Date : 13th August, 2014

*Registered Office:*

“Valecha Chambers”

4th Floor, Plot No. B-6,

Andheri New Link Road,

Andheri (West),

Mumbai - 400 053.

CIN: L74210MH1977PLC019535

**NOTES:**

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

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

The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent

herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority, as applicable.

- (B) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 2014 to Monday, 29th September, 2014 (both days inclusive)
- (C) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the meeting is annexed hereto. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting.
- (D) The dividend declared at the meeting, will be made payable on or before 28th October, 2014 as applicable, in respect of shares held in physical form to those members whose names appear on the Register of Members on Tuesday, 23rd September, 2014. The dividend in respect of shares held in the electronic form will be payable to the beneficial owners of the shares as on Tuesday, 23rd September, 2014.
- (E) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends upto and including the financial year ended on 31st March, 2006 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, 2007 onwards are requested to write to the Company’s Registrar and Transfer Agents, TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

- (F) Members are requested to notify immediately any change in their address to the Company and details about their Bank Account Number, Name of the Bank, Bank’s Branch name and address to enable the Company to draw dividend payable accordingly. In respect of shares held in electronic form, the instruction regarding change of address should be given directly to the Depository Participants; the Company cannot entertain any such request directly from the shareholders.
- (G) As the equity shares of the Company are compulsorily traded in demat form, members holding equity shares in physical form are requested to get the shares converted in demat form.



- (H) Members who have not registered their e-mail address so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with TSR Darashaw Limited, Registrar and Share Transfer Agent of the Company.
- (I) To avoid loss of dividend warrants in transit and undue delay in receipt thereof, members are advised to avail the facility for receipt of dividends through National Electronic Clearing Service (NECS). The NECS facility is available at the locations identified by Reserve Bank of India from time to time which covers most of the cities and towns. Members holding shares in physical form and who have not submitted the NECS details and desirous of availing NECS facility are requested to send to the Share Transfer Agents the details such as: the name of the Shareholder, Bank through which account held, Bank Account Number and MICR details immediately and wherever possible the request shall be acceded to.
- (J) Any member requiring further information as regards accounts at the meeting is requested to send queries in writing to the Company's Registered Office so as to reach on or before 22nd September, 2014 so that the information required can be made available at the meeting.
- (K) Members/proxies should bring their attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
- (L) Pursuant to the provisions of Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with their DP or the Company. The Notice of the AGM alongwith Annual Report for the year ended 31st March, 2014 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless a member has requested for a physical copy of the same. Physical copy of the Annual Report are being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended 31st March, 2014 is available on the Company's website [www.valechaeng.com](http://www.valechaeng.com).
- (M) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of electronic voting ('e-voting') in respect of the Resolution proposed at AGM.
- E-voting instructions:**
- The procedure with respect to e-voting is provided below:-
- A. In case of Members who receive the Notice in electronic mode:**
- (a) Open e-mail and open PDF file viz. '**VALECHA e-voting.pdf**' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com> and click on 'Shareholder – Login'.
- (c) Insert user ID and password as initial password stated in (a) above. Click on 'Login'.
- (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits/characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
- (e) Home page of e-voting opens. Click on 'e-voting: Active Evoting Cycles' and select the Electronic Voting Event Number (EVEN) of Valecha Engineering Limited.
- (f) Now you are ready for e-voting as 'Cast Vote' page opens.
- (g) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted.
- (h) Upon confirmation, the message 'Vote cast successfully' will be displayed. Thereafter you will not be allowed to modify your vote.
- (i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF/JPG format) of the relevant Board Resolution/appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested, to the Scrutinizer through e-mail at [devang@djvyas.com](mailto:devang@djvyas.com) with a copy marked to NSDL's e-mail ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case of Members who receive the Notice by post:**
- (a) User ID and initial password is provided in the admission slip for the AGM.
- (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to cast your vote.
- C. Members already registered with NSDL for e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to cast your vote.**
- D. The period for e-voting starts at 9.00 a.m. on Monday, 22nd September, 2014 and ends at 6.00 p.m. on Wednesday, 24th September, 2014. E-voting shall be disabled by NSDL at 6.00 p.m. on 24th September, 2014. During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date 22 August, 2014 may cast their vote electronically.**
- E. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com). You may also address your queries relating to e-voting to the e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)**

**F. General Information**

- (a) Every Client ID No./Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on Friday, 22nd August, 2014, the cut-off date.
- (c) E-voting right cannot be exercised by a proxy.
- (d) Mr. Devang J. Vyas, Practicing Company Secretary (Membership No. FCS 2874) has been appointed as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes caste in favour of or against, if any, forthwith to the Chairman of the Company.

- (f) The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company [www.valechaeng.com](http://www.valechaeng.com) and on the NSDL website <https://www.evoting.nsdl.com> within two working days of the passing of the resolution at the 37th AGM of the Company on 29th September, 2014 and also communicated to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

By order of the Board

**KAVITA VALECHA SHARMA**  
Company Secretary

Place : Mumbai

Date : 13th August, 2014

Registered Office:

"Valecha Chambers"

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

CIN: L74210MH1977PLC019535

## ANNEXURE TO NOTICE

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

**Item Nos. 5, 6 and 7**

Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are Independent Directors of the Company.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for one year in respect of Mr. Anil Harish and five consecutive years in respect of Mr. G. Ramachandran and Mr. Arvind Thakkar w.e.f. 1st April, 2014.

Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members' alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar for the office of Directors of the Company.

The Company has also received declarations from Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are independent of the management.

Brief resume of Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar are interested in the resolutions set out respectively at Item Nos. 5, 6, and 7 of the Notice with regard to their respective appointments.



The relatives of Mr. Anil Harish, Mr. G. Ramachandran and Mr. Arvind Thakkar may be deemed to be interested in the resolutions set out respectively at Item Nos. 5, 6, and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 5, 6, and 7 of the Notice for approval by the shareholders.

#### **Item No. 8**

The role of Non-Whole-Time Directors is significant in achieving good performance and establishment of good governance. The responsibility of the Non-Whole-Time Directors has increased considerably over the years. In view of the dynamic changes in Company law and the Corporate Governance norms, there is a greater demand on the Non-Whole-Time Directors in terms of time and preparation for the Board and Committee meetings. Keeping in view the requirement in terms of time and quality on the part of the Non-Whole-Time Directors, it is necessary to remunerate them appropriately.

Considering the enhanced role and increased responsibilities of the Directors as stated above, it is proposed that the Directors of the Company (including alternate Directors), who are neither in the whole-time employment of the Company nor are the Managing Director(s)/Manager of the Company, be paid, for each of the financial years, commencing from the 1st of April, 2014, a remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013 ("the Act") and the applicable Rules, if any, thereunder. This remuneration will be distributed amongst all or some of the Directors in accordance with the approval given by the Board of Directors and subject to any other applicable requirements under the Act and the Rules thereunder. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or the Committees thereof or for any other purpose whatsoever, as may be decided by the Board and the reimbursement of expenses for participating in the Board and other meetings.

Accordingly, approval of the Members is sought by way of a Special Resolution for the payment of remuneration, by way of commission, to the Directors of the Company (including alternate Directors), who are neither in the whole-time employment of the Company nor are the Managing Director(s)/Manager of the Company, for financial years commencing from the 1st April, 2014, as set out in the Resolution under Item No. 8 of the Notice. The Board commends the Resolution for approval by the shareholders of the Company.

The Managing Director, Whole-Time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, in the resolution set out in Item No. 8 of the Notice. Directors, other than the Non-Whole-Time Directors of the Company, may be deemed to be concerned or interested in the Special Resolution set out therein to the extent of the remuneration, by way of commission, that may be received by them.

#### **Item Nos. 9 & 10**

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital of the Company and its free reserves. The shareholders pursuant to earlier resolution, had accorded their consent to the Board of Directors for borrowing up to ₹ 600 crores. Taking into consideration the requirements of additional funds to meet the cost of the Company's capital expenditure as also additional working capital requirement of the Company, it is expected that the limit of ₹ 600 crores sanctioned by the shareholders is likely to be exceeded.

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors of a Company shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

Further, since the Company is expanding its business capacities, there may be a need to increase the Company's aggregate borrowings. Hence, the Board of Directors feels that it will be necessary for the Company to raise further moneys from various sources which may exceed the existing borrowing limit as stated above. The consent of the Shareholders is therefore, sought by way of a Special Resolution in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013 to enable the Board of Directors to borrow monies subject to a limit of ₹ 900 crores. (Rupees nine hundred crores only) in addition to the aggregate of the Company's paid-up share capital and its free reserves as mentioned in the resolution. The Resolution under Item No. 9 is to obtain the consent of the shareholders for this purpose.

The proposed borrowings of the Company, may, if necessary, have to be secured by way of mortgage/charge on immoveable properties and/or hypothecation of the moveable properties of the Company both present and future, as may be agreed to with the concerned financial/investment institutions, bank or banks or the relevant party concerned.

Since the mortgage and/or charge/hypothecation to be created as aforesaid may attract the provisions of Section 180 (1) (a) of Companies Act, 2013, it is deemed advisable to obtain the approval of the members by way of a Special Resolution under the provisions of the above Section of the said Act. The Directors accordingly commend the Resolution in Item Nos. 9 & 10 of the accompanying Notice for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 9 & 10.

**Item No. 11**

Mr. Kapil J. Valecha - Sr. Executive of the Company has been rendering valuable services to the Company since 1st June, 2014. Mr. Kapil Valecha is a Civil Engineer with a MBA degree from Boston University, USA. He is the son of Mr. Jagdish K. Valecha, Managing Director of the Company. As per the requirements of Section 188 of the Companies Act, 2013, appointment of Mr. Kapil Valecha, holding office or place of profit in the Company, require approval of the members by way of a Special Resolution.

Mr. Kapil Valecha shall be entitled for a remuneration not exceeding ₹ 1,50,000/- (Rupees one lakh fifty thousand only) per month including allowances, perquisite and benefits as per the policies of the Company w.e.f. 1st June, 2014.

Except Mr. Jagdish Valecha, Managing Director and Mr. Karan Valecha relative of Director, none of the other Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

By order of the Board

**KAVITA VALECHA SHARMA**  
*Company Secretary*

Place : Mumbai

Date : 13th August, 2014

*Registered Office:*

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