



VALECHA ENGINEERING LIMITED

**40TH ANNUAL REPORT
2016-17**

VALECHA ENGINEERING LIMITED

CIN: L74210MH1977PLC019535

Board of Directors

Arvind Thakkar	— Chairman
J. K. Valecha	— Vice-Chairman-cum-Managing Director
D. H. Valecha	— Whole-time Director
U. H. Valecha	— Whole-time Director up to 10.08.2016
Tarun Dutta	— Whole-time Director w.e.f 26.06.2017
Kailas P. Chandore	— Director up to 22.03.2017
Ashmi D. Sheth	— Director up to 22.03.2017
Ketan H Gandhi	— Director w.e.f 22.03.2017
Sonal V Jltiya	— Director w.e.f 22.03.2017

Company Secretary & Legal: Vijaykumar H. Modi

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

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

Solicitors: M/s. Bharucha & Partners

Registrars and Transfer Agents : TSR Darashaw Limited - CIN: U67120MH1985PLC037369

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

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

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NOTICE

Notice is hereby given that the **Fortieth** Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on **Friday, 29th September, 2017 at 10:30 a.m.** at **Babasaheb Dahanukar Sabhagriha**, Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Financial Statement of the Company for the financial year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon; and
 - b. The Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2017.
2. To appoint Auditors and in this connection to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Kanu Doshi Associates LLP, Chartered Accountants, (Registration No. **101248W/ W-100022**) with the [Institute of Chartered Accountants of India], are hereby appointed as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013, in the place of **M/s. D. M. Jani & Co, Chartered Accountants (Firm Registration Number: 104047W)** whose tenure expires at the conclusion of the ensuing 40th Annual General Meeting.

RESOLVED FURTHER THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013, **M/s. Kanu Doshi Associates LLP**, Chartered Accountants, will hold office as the Statutory Auditors of the Company, for a term of 5 consecutive years, till the conclusion of the Annual General Meeting of the Company for the financial year 2021-22, subject to ratification at every Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company, in addition to Goods and Service Tax as applicable, reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit.

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

SPECIAL BUSINESS:

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

3. As a **Special Resolution**:

CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. JAGDISH K VALECHA

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and Rules made thereunder (including any statutory modification or re-enactment thereof), read with Schedule V to the Act and subject to such approvals/consents/sanctions/ permissions as may be necessary, the consent of the members of the Company be and is hereby accorded for the re-appointment of **Mr. Jagdish K. Valecha as Vice Chairman cum Managing Director of the Company for a period of 3(three) years w.e.f. 11.06.2017 to 10.06.2020** upon terms and conditions as set out in the agreement entered into between the Company and Mr. Jagdish K Valecha and explanatory statement annexed hereto with the authority to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Jagdish K. Valecha, but so as not to exceed the limits specified in Schedule V to the Act or any amendment thereto or re-enactments thereof, with effect from such dates as may be decided between them.

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

4. As a **Special Resolution**:

CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. DINESH H. VALECHA

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and Rules made thereunder (including any statutory modification or re-enactment thereof), read with Schedule V to the Act and subject to such approvals/consents/sanctions/ permissions as may be necessary, the consent of the members of the Company be and is hereby accorded for the re-appointment of **Mr. Dinesh H. Valecha as the Whole-Time Director, for a period of 1(One) year w.e.f. 01.08.2017 to 31.07.2018** upon terms and conditions as set out in the agreement entered into between the Company and Mr. Dinesh H Valecha and explanatory statement annexed hereto with the authority to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Dinesh H. Valecha, but so as not to exceed the limits specified in Schedule V to the Act or any amendment thereto or re-enactments thereof, with effect from such dates as may be decided between them.

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

5. As an **Ordinary** Resolution:

CONSIDER THE REGULARIZATION OF APPOINTMENT OF MR. TARUN DUTTA

"RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, **Mr. Tarun Dutta** who was appointed as Additional Director w.e.f. 26th June, 2017 who shall hold office up to the date of the ensuing Annual General Meeting of the Company be and is hereby appointed as Director of the Company.

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

6. As a **Special** Resolution:

CONSIDER THE APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. TARUN DUTTA

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and Rules made thereunder (including any statutory modification or re-enactment thereof), read with Schedule V to the Act and subject to such approvals/consents/sanctions/ permissions as may be necessary, the consent of the members of the Company be and is hereby accorded for the appointment of **Mr. Tarun Dutta as Whole Time Director, for a period of 1(One) year w.e.f. 26.06.2017 to 25.06.2018** upon terms and conditions as set out in the agreement entered into between the Company and **Mr. Tarun Dutta** and explanatory statement annexed hereto with the authority to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Tarun Dutta, but so as not to exceed the limits specified in Schedule V to the Act or any amendment thereto or re-enactments thereof, with effect from such dates as may be decided between them.

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

7. As an **Ordinary** Resolution:

CONSIDER THE APPOINTMENT OF MR. KETAN H. GANDHI AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 (the Act) **Mr. Ketan H. Gandhi (DIN 00650579)** who was appointed as an Additional Director w.e.f. **22nd March, 2017** pursuant to Section 161 (1) of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company and shall hold office for a term of 5 years w.e.f. 29.09.2017.

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

8. As an **Ordinary** Resolution:

CONSIDER THE APPOINTMENT OF MRS. SONAL V. JITIYA AS NON-EXECUTIVE DIRECTOR

"RESOLVED THAT Mrs. Sonal V Jitiya (DIN:00668047) who has been appointed as an Additional Director of the Company by the Board of Directors with effect from **22nd March, 2017** in terms of Section 149, 152 and 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as Non-Executive Director of the Company, who is liable to retire by rotation at the Annual General Meeting.

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

9. As an **Ordinary** Resolution:

CONSIDER THE RATIFICATION OF PAYMENT OF REMUNERATION TO THE COST AUDITOR

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) p.a. plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses, be paid to **M/s Darshan Vora & Co. (Membership No.36481)**, Cost Auditors of the Company, for the Financial Year **2017-18**, as approved by the Board of Directors of the Company, be and is hereby ratified.

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

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10. As an **Ordinary** Resolution:

CHARGE A FEE FROM MEMBERS OF THE COMPANY FOR SERVICE OF DOCUMENTS IN A PARTICULAR MODE

"RESOLVED THAT pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of ` 50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to them in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

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

For and on behalf of the Board
FOR VALECHA ENGINEERING LIMITED

VIJAYKUMAR MODI
COMPANY SECRETARY & LEGAL

Place: Mumbai

Date: 16th August, 2017

Registered Office:

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

NOTES:

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

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

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

- (B) The Register of Members and Share Transfer Books of the Company will remain closed from the **Friday, 22nd September, 2017 to Friday, 29th September, 2017** (both days inclusive).
- (C) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the meeting is annexed hereto. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays, Sundays and Public Holidays up to the date of Annual General Meeting.
- (D) Pursuant to the provisions of Sections 123 and 125 of the Companies Act, 2013, the amounts of dividends remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Sr. No.	Dividend Year	Date of Declaration	Due date for transfer
1	2009-10	30-Jul-10	04-Sep-17
2	2010-11	29-Jul-11	03-Sep-18
3	2011-12	17-Sep-12	23-Oct-19
4	2012-13	26-Sep-13	01-Nov-20
5	2013-14	29-Sep-14	04-Nov-21

Members who have not yet encashed their dividend for the financial year ended **31st March, 2010 to 31st March, 2014** are requested to approach to the Company's Registrar and Transfer Agents, TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

- (E) As the equity shares of the Company are compulsorily traded in demat form, members holding equity shares in physical form are requested to get the shares converted in demat form. Members are requested to notify change in address, if any, immediately to the R & T Agents of the Company.
- (F) Members who have not registered their e-mail address so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with TSR Darashaw Limited, Registrar and Share Transfer Agent of the Company.

- (G) Any member requiring further information as regards accounts at the meeting is requested to send queries in writing to the Company's Registered Office so as to reach on or before **22nd September, 2017** so that the information required can be made available at the meeting.
- (H) Members/proxies should bring their attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
- (I) Pursuant to the provisions of Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with their DP or the Company. The Notice of the Annual General Meeting along with Annual Report for the year ended **31st March, 2017** is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless a member has requested for a physical copy of the same. Physical copy of the Annual Report is being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended **31st March, 2017** is available on the Company's website www.valechaeng.com.
- (J) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of remote electronic voting ('e-voting') in respect of the resolutions proposed at Annual General Meeting.
- (K) M/s. Ragini Chokshi & Co., Practicing Company Secretary (Membership No.2390), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (L) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
- (M) The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their voting again.
- (N) Members can opt for only one mode of voting i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
- (O) In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to investor.relations@valecha.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, M/s. Ragini Chokshi & Co., Practicing Company Secretary (Membership No.2390) at registered office of the Company not later than **Thursday, 28th September, 2017** (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

E-voting instructions:

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

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

- (a) Open e-mail and open PDF file viz. '**VALECHA remote e-voting.pdf**' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password
- (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com>.
- (c) Insert user ID and password as initial password stated in (a) above. Click on 'Login'
- (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits/characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
- (e) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles and select the Electronic Voting Event Number (EVEN) of Valecha Engineering Limited.
- (f) Now you are ready for remote e-voting as 'Cast Vote' page opens.
- (g) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted.
- (h) Upon confirmation, the message 'Vote cast successfully' will be displayed. Thereafter you will not be allowed to modify your vote.
- (i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF/JPG format) of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested, to the Scrutinizer through e-mail at: mail@csraginichokshi.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in.

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

- (a) User ID and initial password is provided in the admission slip for the AGM.
- (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to cast your vote.
- C. Members already registered with NSDL for e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to cast your vote.
- D. The period for remote e-voting starts at **9:00 a.m. on Tuesday, 26th September, 2017** and ends at **5:00 p.m. on Thursday, 28th September, 2017**. Remote e-voting shall be disabled by NSDL at **5:00 p.m. on 28th September, 2017**. During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date **Friday, 22nd September, 2017** may request for login ID and password and cast their vote electronically.

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- E. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and remote e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com. You may also address your queries relating to remote e-voting to the e-mail ID: evoting@nsdl.co.in
- F. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- G. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **Friday, 22nd September, 2017**.
- H. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Friday, 22nd September, 2017**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

I. 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 September, 2017** the cut-off date.
- (c) E-voting right cannot be exercised by a proxy.
- (d) M/s. Ragini Chokshi & Co., Practicing Company Secretary (Membership no.2390) has been appointed as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (f) The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.valechaeng.com and on the NSDL website <https://www.evoting.nsdl.com> within two working days of the passing of the resolution at the 40th AGM of the Company to be held on **29TH SEPTEMBER, 2017** and also communicated to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

**For and on Behalf of the Board
FOR VALECHA ENGINEERING LIMITED**

**VIJAYKUMAR MODI
COMPANY SECRETARY& LEGAL**

Place : Mumbai

Date: 16th August, 2017

ANNEXURE TO NOTICE

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

Item No. 2

M/s D.M.Jani Chartered Accountants, Mumbai, (ICAI) (Registration No.104047W) have been the Auditors of the Company for more than 10 years.

As per the provisions of Section 139 of the Act, **no listed Company** can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years and an individual as auditor for more than one term of 5 consecutive years.

Section 139 of the Act has also provided a period of **three (3)** years from the date of commencement of the Act to comply with this requirement. In view of the above, M/s D.M. Jani, Chartered Accountants can continue as an Auditor of the Company only up to the conclusion of the this coming Annual General Meeting.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 16th August, 2017, proposed the appointment of M/s. Kanu Doshi Associates LLP, Chartered Accountants, Mumbai, (ICAI Registration No. 104746W/W100096), as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the AGM of the company to be held for the Financial Year 2021-22 (subject to ratification of their appointment at every AGM, if so required under the Act).

M/s. Kanu Doshi Associates LLP, Chartered Accountants, Mumbai, (ICAI Registration No 104746W/W100096), have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No. 2 of the Notice.

Item No. 3

As per the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196,197 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the consent of the members of the Company and the Central Government, Mr. Jagdish K. Valecha was re-appointed as Vice Chairman cum Managing Director of the Company for a period of 3 (three) years with effect from 11.06.2017 to 10.06.2020 and payment of remuneration and perquisites and terms and conditions as set out in the Agreement entered into between the Company and Mr. Jagdish K. Valecha, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or Agreement, as may be agreed to between the Board and Mr. Jagdish K. Valecha, a draft of which was laid before the meeting and for the purpose of identification subscribed by the Chairman hereof.

REMUNERATION: MR. JAGDISH K. VALECHA shall be entitled to Remuneration as stated below.

Particulars	11.06.2017 to 10.06.2018 (per month)	11.06.2018 to 10.06.2019 (per month)	11.06.2019 to 10.06.2020 (per month)
Salary	7,00,000	9,00,000	11,00,000
Perks and Incentive: House Rent Allowance together with utilities there for such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes, Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance. Personal Accident Insurance in accordance with the rules specified by the Company. Leave Travel concession for self and family once in a year in accordance with the rules of the Company. Fees of clubs/annual membership fees and/or admission/ entrance fees, car fuels and driver's salary.	2,00,000	2,00,000	2,00,000
Total	9,00,000	11,00,000	13,00,000

Mr. Jagdish K. Valecha as Vice Chairman cum Managing Director shall be eligible for the following perquisites which shall **NOT** be included in the computation of the ceiling on remuneration specified in as above:-

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961(43 of 1961);
- Gratuity payable at a rate not exceeding half a months' salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

The office of the Vice Chairman cum Managing Director will not be subject to retirement by rotation.

Disentitlements: The Vice Chairman cum Managing Director shall not be entitled for sitting fees for attending meetings of the Board of Directors or Committee thereof.

Termination: The Agreement may be terminated by giving 3(three) months' notice on either side.

Notwithstanding anything herein above stated, where in any financial year, during the currency of the tenure of **Mr. Jagdish K. Valecha**, as Vice Chairman cum Managing Director of the Company, if the Company has no profits or its profits are inadequate, the aforesaid remuneration payable to

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Mr. Jagdish K. Valecha shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force.

Item No. 4

As per the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the consent of the members of the Company and the Central Government, Mr. Dinesh H. Valecha was re-appointed as the Whole Time Director of the Company for a period of 1 (one) year, with effect from 1st August, 2017 to 31st July, 2018 and payment of remuneration and perquisites and terms and conditions as set out in the Agreement entered into between the Company and Mr. Dinesh H. Valecha, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or Agreement, as may be agreed to between the Board and Mr. Dinesh H. Valecha, a draft of which was laid before the meeting and for the purpose of identification subscribed by the Chairman hereof.

REMUNERATION: MR. DINESH H. VALECHA shall be entitled to Remuneration as stated below.

Particulars	01.08.2017 to 31.07.2018 (per month)
Salary	5,00,000
Perks and Incentive: House Rent Allowance together with utilities there for such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes, Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance. Personal Accident Insurance in accordance with the rules specified by the Company. Leave Travel concession for self and family once in a year in accordance with the rules of the Company. Fees of clubs/annual membership fees and/or admission/ entrance fees, car fuels and driver's salary.	83,333
Total	5,83,333

Mr. Dinesh H. Valecha as Whole Time Director shall be eligible for the following perquisites which shall **NOT** be included in the computation of the ceiling on remuneration specified in as above:-

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961(43 of 1961);
- Gratuity payable at a rate not exceeding half a months' salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

The office of the Whole Time Director will not be subject to retirement by rotation.

Disentitlements: The Whole Time Director shall not be entitled for sitting fees for attending meetings of the Board of Directors or Committee thereof.

Termination: The Agreement may be terminated by giving 3(three) months' notice on either side.

Notwithstanding anything herein above stated, where in any financial year, during the currency of the tenure of **Mr. Dinesh H. Valecha**, as Whole Time Director of the Company, if the Company has no profits or its profits are inadequate, the aforesaid remuneration payable to **Mr. Dinesh H. Valecha** shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force.

Item No. 5 & 6

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 26th June, 2017, appointed Mr. Tarun Dutta as an Additional Director of the Company w.e.f. 26th June, 2017.

Mr. Traun Dutta age 54 years hold degree of B.Sc. and B.E. (Civil) and has 27 years of experience in the construction industry and expertise in Project Management, Construction Management, Site Analysis, Resource Planning, Material Management, Vendor Development, Commercial Negotiation Quality Control, Technical and Cost Control.

The Board is of view that his qualification, knowledge and experience will be of immense benefit and value to the Company.

As per the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the consent of the members of the Company and the Central Government, Mr. Traun Dutta was also appointed as Whole Time Director of the Company for a period of 1 (one) year with effect from 26th June, 2017 to 25th June, 2018 and payment of remuneration and perquisites and terms and conditions as set out in the Agreement entered into between the Company and Mr. Traun Dutta, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or Agreement, as may be agreed to between the Board and Mr. Traun Dutta, a draft of which was laid before the meeting and for the purpose of identification subscribed by the Chairman hereof.