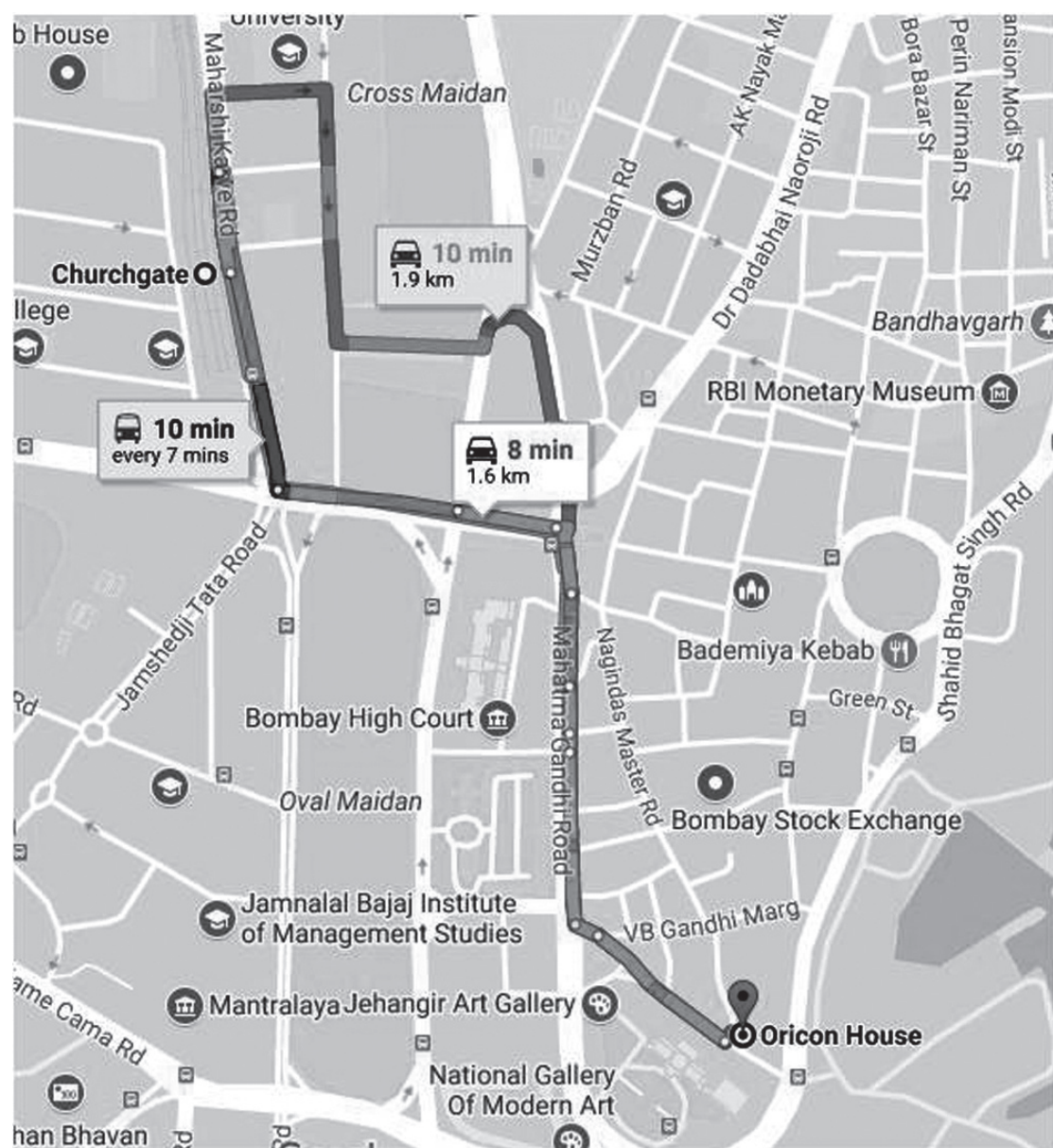




# **VALECHA ENGINEERING LIMITED**

**42ND  
ANNUAL REPORT 2018-19**



## VALECHA ENGINEERING LIMITED

CIN: L74210MH1977PLC019535

### Board of Directors

Arvind Thakkar - Chairman  
J. K. Valecha - Vice Chairman & Director  
Tarun Dutta - Chief Executive Officer w.e.f. 30.07.2019  
Ketan H Gandhi - Independent Director  
Sonal V Jltiya - Non-Executive Director  
L. B. Takekar - Additional Director w.e.f. 28.03.2019

**Company Secretary & Legal :** Vijaykumar H. Modi

**Chief Financial Officer :** Anil S. Korpe

**Auditors :** M/s. Bagaria & Co. LLP Chartered Accountants

**Bankers:** State Bank of India, Canara Bank, Axis Bank Ltd. and Lakshmi Vilas Bank Ltd. Syndicate Bank, Central Bank of India, Yes Bank.

**Registrars and Transfer Agents:** TSR Darashaw Consultants Private Limited - CIN: U74999MH2018PTC307859  
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", 4<sup>th</sup> 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;

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### NOTICE

Notice is hereby given that the **Forty Second** Annual General Meeting of the members of VALECHA ENGINEERING LIMITED will be held on **Monday, 30<sup>th</sup> September, 2019 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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019.
2. To appoint a Director in place of Mr. Jagdish K. Valecha (DIN: 00013070) who retires by rotation and being eligible, offers himself for reappointment
3. To appoint Auditors and in this connection to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, the appointment of **M/s. Bagaria & Co. LLP.**, Chartered Accountants as the Statutory Auditors of the Company with effect from 04<sup>th</sup> June, 2019 in the casual vacancy caused consequent to the resignation of **M/s. Kanu Doshi Associates LLP**, Chartered Accountants, be and is hereby approved and that they shall hold the said office till the conclusion of this Annual General Meeting.

**RESOLVED FURTHER THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, **M/s. Bagaria & Co. LLP**, Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company for a term of five(5) consecutive years and they shall hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company for the financial year 2023-24 at a remuneration as recommended by the Audit Committee and approved by the Board of Directors of the Company plus reimbursement of out-of pocket expenses.

#### SPECIAL BUSINESS:

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

4. As a **Special Resolution**:

#### CONSIDER THE RE-APPOINTMENT OF MR. ARVINDKUMAR M. THAKKAR AS AN INDEPENDENT DIRECTOR

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) **Mr. Arvindkumar M. Thakkar (DIN: 02208108)**, an Independent Non-Executive Director of the Company, who has attained the age of 75 (seventy five) years and who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided statutorily, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold such office for a period of 5 (five) consecutive years w.e.f. 1<sup>st</sup> April, 2019 and shall not be liable to retire by rotation during his tenure in accordance with the provisions of the Companies Act, 2013."

**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 APPOINTMENT OF MRS. LALNA B. TAKEKAR 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) **Mrs. Lalna B. Takekar (DIN: 08111805)** who was appointed as an Additional Director **w.e.f. 28<sup>th</sup> March, 2019** pursuant to Section 161 (1) of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company and shall hold office for a term of 5 years w.e.f. 30.09.2019.

**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 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. 1,00,000/- (Rupees One Lakh only) p.a. plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses, if any, in connection with the Audit be paid to **M/s Darshan Vora & Co. (Membership No.36481)**, Cost Auditors of the Company, for the Financial Year **2019-20**, 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."

7. As an **Ordinary Resolution**:

**CONSIDER THE PAYMENT OF REMUNERATION TO NON-EXECUTIVE DIRECTORS**

**"RESOLVED THAT** pursuant to Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder or any amendment or re-enactment thereof, if any and subject to such permissions, sanctions of appropriate authorities as may be required, approval of the members be and is hereby accorded for the payment of annual remuneration to one or more of the Non-Executive Directors of the Company other than the Managing/Whole-time Director(s), for a period of five years from the financial year commencing from April 01, 2019, of a sum not exceeding 1% or 3% as the case may be, of the net profits of the Company, for each of the said financial years, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, in addition to the fee payable to them for attending the meetings of the Board of Directors of the Company or any Committee(s) thereof or reimbursement of expenses, if any, to be paid and distributed amongst the Non-Executive Directors as aforesaid in such amounts or proportions and in such manner as the Board of Directors may, from time to time, determine and in default of such determination equally.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board of Directors and Company Secretary and Compliance Officer of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper, desirable and to settle any question, difficulty or doubt that may arise in this regard without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

Place: Mumbai  
Date: 30<sup>th</sup> July, 2019

**VIJAYKUMAR MODI**  
**COMPANY SECRETARY & LEGAL**

**Registered Office:**

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

**NOTES:**

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

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

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

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

(C) Corporate Members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, at its Registered Office, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting not less than **48 hours** before the commencement of the meeting.

(D) The Register of Members and Share Transfer Books of the Company will remain closed from the **Monday, 23<sup>rd</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019** (both days inclusive).\*

**(E) UPDATION OF BANK AND CONTACT DETAILS**

(i) Members are requested to notify immediately any change of address or bank mandates to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars and Transfer Agents of the Company i.e. TSR Darashaw Consultants Private Limited in respect of their physical share folios, if any.

(ii) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, are therefore, requested to submit their PAN to their DPs with whom their demat accounts are maintained. Shareholders holding shares in physical form may submit their PAN details to the Company/or to TSR Darashaw Consultants Private Limited.



## (F) HOLDING OF SHARES IN DEMATERIALIZED FORM

Equity shares of the company are traded under the compulsory demat mode on the Stock Exchanges. Considering the advantages of the scrip less/demat trading, shareholders are advised to get their shares dematerialized to avail the benefits of scrip less trading.

In terms of the Listing Regulations, the securities of the listed companies can be transferred only in dematerialized form with effect from 01<sup>st</sup> April, 2019. In view of the same, members are advised to dematerialize the shares held by them in physical form

## (G) INVESTOR EDUCATION AND PROTECTION FUND

- (i) The unclaimed/unpaid dividend up to the Financial Year 2010-11 have been transferred to the Investor Education Protection Fund (IEPF). Those shareholders who have not claimed their dividend up to the financial year 2010-11 and which has been transferred to IEPF, can claim their dividend from the Registrar of Companies, Mumbai
- (ii) Pursuant to the provisions of Sections 123 and 125 of the Companies Act, 2013, the amounts of dividends remaining unclaimed for a period of **7 (seven)** years shall be transferred to the Investor Education and Protection Fund. Due dates for the same are mentioned below:

Sr. No.	Dividend Year	Date of Declaration	Due date for transfer
1	2011-12	17-Sep-12	22-Nov-19
2	2012-13	26-Sep-13	01-Dec-20
3	2013-14	29-Sep-14	03-Dec-21

Members who have not yet encashed their dividend for the period **31<sup>st</sup> March, 2012 to 31<sup>st</sup> March, 2014** are requested to approach, TSR Darashaw Consultants Private Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 on or before September, 2019.

- (iii) Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for a period of **7 (seven)** consecutive years, up to the F.Y. 2010-11 have been transferred to IEPF.
- (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 to the venue of the Annual General Meeting.
- (I) 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 **23<sup>rd</sup> September, 2019** so that the information required can be made available at the meeting.
- (J) 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 **31<sup>st</sup> March, 2019** 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 **31<sup>st</sup> March, 2019** is available on the Company's website [www.valechaeng.com](http://www.valechaeng.com).

## (K) E-VOTING

- (A) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of remote electronic voting ('e-voting') in respect of the resolutions proposed at Annual General Meeting.
- (B) The period for remote e-voting starts at **9:00 a.m. on Friday, 27<sup>th</sup> September, 2019** and ends at **5:00 p.m. on Sunday, 29<sup>th</sup> September, 2019**. Remote e-voting shall be disabled by NSDL at **5:00 p.m. on 29<sup>th</sup> September, 2019**. During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date **Monday, 23<sup>rd</sup> September, 2019** may request for login ID and password and cast their vote electronically.

### E-voting instructions:

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Your password details are given below:

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

#### **General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mail@raginichokshi.com](mailto:mail@raginichokshi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

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3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- (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) 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.
- (N) In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to [investor.relations@valecha.in](mailto: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 **Sunday, 29<sup>th</sup> September, 2019** (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
- (O) 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 **Monday, 23<sup>rd</sup> September, 2019**, 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 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](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 42<sup>nd</sup> AGM of the Company to be held on **30<sup>th</sup> September, 2019** 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**

Place: Mumbai  
Date: 30<sup>th</sup> July, 2019

**VIJAYKUMAR MODI**  
**COMPANY SECRETARY & LEGAL**

## ANNEXURE TO NOTICE

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

### Item No. 3

**M/s. Bagaria & Co, LLP**, Chartered Accountants, Mumbai were appointed as Statutory Auditors of the Company from the Extraordinary General Meeting held on 04<sup>th</sup> June, 2019 till conclusion of the this Annual General Meeting to conduct the Statutory Audit for the period ended 31<sup>st</sup> March, 2019 on such remuneration as may be fixed by the Board of Directors in consultation with them.

In compliance of Section 139(2) of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 it is proposed to appoint of M/s. Bagaria & Co LLP, Chartered Accountants as the Statutory Auditors of the Company, to hold the office for a term of five (5) consecutive years from the conclusion of the 42<sup>nd</sup> AGM till the conclusion of the 47<sup>th</sup> AGM i.e. for the Financial Year 2019-20 to 2023-24

They have consented to and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and are not disqualified to be appointed as Auditors. In view of their professional reputation and standing, the Audit Committee at its meeting held on 29<sup>th</sup> July, 2019 has recommended their appointment and also the Board of Directors at its meeting held on 30<sup>th</sup> July, 2019, subject to the Members' approval .

They are proposed to be paid a remuneration of Rs. 11 Lakhs (subject to revision) towards Quarterly Limited Review of Standalone & Consolidated Financial Results of the Company with its Subsidiary & Associate company as well as for Statutory Audit of the Company for each financial year. Outgoing Auditors were paid Rs 10 Lakhs for Quarterly Limited Review and Statutory audit.

The provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IND-AS have imposed additional responsibilities on the Statutory Auditors in relation to audit, compliances and disclosures. This has increased scope of audit beyond accounting. The format of reporting has undergone change.

Their audit responsibility includes testing of Internal Financial Controls over Financial Reporting, Limited Review of Consolidated Financial Results, etc.

Revision proposed in their fees is therefore justified in the opinion of the Board.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution proposed at Item No. 3.



#### **Item No. 4**

Mr. Arvindkumar M. Thakkar was appointed as an Independent Non-Executive Director of the Company by the members at the 37<sup>th</sup> AGM of the Company held on 29<sup>th</sup> September, 2014 for a period of 5 (five) consecutive years commencing from 1<sup>st</sup> April, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to 5(five) consecutive years on the Board of a Company.

The Board, upon recommendation of the Nomination and Remuneration Committee, based on the skills, rich experience, knowledge, continued valuable guidance of above said Director to the management and based on the outcome of performance evaluation, considers that, given his background and experience and contributions made by him during his tenure, his continued association would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director.

The Board is of the opinion that Mr. Arvindkumar M. Thakkar fulfills the conditions for appointment as Independent Director of the Company as specified in the Act and the SEBI (LODR) Regulations, 2015 and is independent of the Management. Mr. Thakkar is not disqualified or debarred to hold such office. The brief profile of the proposed appointee is as under:

Mr. Arvindkumar M. Thakkar is a Chartered Accountant having over 43 years of experience in finance, acquisition and mergers, cost and management accounting.

The Company has received from the proposed appointee, his consent to act as Director, intimation to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, confirming his eligibility for such appointment and a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Listing Regulations, 2015. The Company has also received notice in writing pursuant to Section 160 of the Act, from the member(s) of the Company proposing the candidature of Mr. Arvindkumar M. Thakkar to hold the office of Independent Director.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, effective from April, 2019, a person who has attained the age of seventy five years can be Non-Executive Director in a listed Company, subject to approval of its members by way of a special resolution. Mr. Thakkar is of the age of seventy five years and hence Special Resolution as set out in the Notice seeks approval of shareholders for his re-appointment as Independent Director, not liable to retire by rotation, for second term of 5 (five) years w.e.f. 01<sup>st</sup> April, 2019.

Mr. Arvindkumar M. Thakkar is interested in the resolution set out respectively at Item No. 4 of the Notice with regard to his appointment. The relatives of Mr. Arvindkumar M. Thakkar may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, held in the Company.

Save and except the above named proposed appointee, none of the Directors and/or Key Managerial Personnel of the Company, including their respective relatives are in any way concerned or interested, financially or otherwise, in the said resolutions.

In view of above, the Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

#### **Item No. 5**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed **Mrs. Lalna B. Takekar** (DIN: 08111805) as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, **Mrs. Lalna B. Takekar** holds office till the date of this AGM and is eligible for being appointed as an Independent Director. The Company has also received notice in writing pursuant to Section 160 of the Act, from the member(s) of the Company proposing the candidature of Mrs. Lalna Takekar to hold the office of Independent Director.

Mrs. Lalna Takekar is a B.Com graduate and has experience in Administration.

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

Mrs. Lalna Takekar is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Mrs. Lalna Takekar fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

Mrs. Lalna Takekar is not related to any other Director and/or Key Managerial Personnel of the Company.

Save and except the above named proposed appointee, none of the Directors and/or Key Managerial Personnel of the Company, including their respective relatives are in any way concerned or interested, financially or otherwise, in the said resolutions.

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

#### **Item No. 6**

The Board of Directors of the Company, at its meeting held on 30<sup>th</sup> July, 2019, had, on the recommendation of the Audit Committee, considered and approved the appointment of M/s. Darshan Vora & Co. Cost Accountants (Membership No.36481) as the Cost Auditor of the Company for the Financial Year 2019-20 at a total remuneration of Rs. 1,00,000/- (Rupees One Lakh only) per annum plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses, if any, in connection with the Audit

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

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year 2019-20.

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

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

### Item No. 7

The Non-Executive Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as construction, finance, legal and corporate strategy. The Board is of the view that it is necessary that adequate remuneration should be paid to the Non Executive Directors so as to compensate them for their time and efforts and also to retain and attract the pool of talent for the growth and prosperity of the Company.

Section 197 of the Companies Act, 2013 provides that the remuneration payable to Directors who are neither Managing Directors nor Whole-time Directors shall not exceed:

(A) 1% per cent of the net profits of the Company, if there is a managing or whole-time director or manager;

(B) 3% per cent of the net profits in any other case.

In accordance with Section 197 of the Companies Act, 2013, the members of the Company at the Annual General Meeting held on 29<sup>th</sup> September, 2014, approved the payment of remuneration by way of commission to Non-Executive Directors, at a rate not exceeding 1% per annum of the net profits of the Company for a period of five years commencing from April 01, 2014. The said approval is valid till 31<sup>st</sup> March, 2019.

The Board of Directors at its meeting held on 30<sup>th</sup> July, 2019 has approved and recommended to the shareholders, the proposal of payment of commission not exceeding 1% or 3% as the case may be, of the net profit of the Company to the Non-Executive Directors for a further period of five years commencing from April 01, 2019 (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time and in default of such determination equally). The aforesaid remuneration to Non-Executive Directors shall be in addition to the sitting fees payable to them for attending meetings of the Board and Committees thereof.

All the Non-Executive Independent Directors of the Company are interested in this resolution by virtue of their directorship, to the extent of their shareholding if any, and the payment that they receive by way of remuneration as a percentage of profits. None of the other Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this resolution.

The Board recommends the Ordinary Resolution set-out in Item 7 of the Notice for approval by the members

For and on behalf of the Board  
**For VALECHA ENGINEERING LIMITED**

Place: Mumbai  
Date: 30<sup>th</sup> July, 2019

### Registered Office:

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

**VIJAYKUMAR MODI**  
**COMPANY SECRETARY& LEGAL**