



NOTICE

NOTICE is hereby given that the Thirty-First Annual General Meeting of the members of **VALSON INDUSTRIES LIMITED** will be held on Friday, 14th day, August, 2015 at 10.45 A.M. at 28, Bldg. No.6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai - 400 059 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt an Audited Financial Statement of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares (@ 10%) i.e. Rs.1/- per Equity Share.
3. To appoint a Director in place of Mr. Suresh N. Mutreja, who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Mehta Chokshi & Shah, Chartered Accountants, Mumbai having ICAI Firm Registration No.106201W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year 2015-2016, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

5. To appoint Mrs. Asha S. Mutreja (DIN: 07092404) as a Woman Director and in this regard, to consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Asha S. Mutreja (DIN: 07092404), who was appointed as an Additional Director and whose term expires at this Annual General Meeting 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 her candidature for the office of Director, be and is hereby appointed as a Woman Director of the Company, liable to retire by rotation."

6. To appoint Mr. Pradip C. Shah (DIN: 00012803) as an Independent Director and in this regard, to consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pradip C. Shah (DIN: 00012803), who was appointed as an Additional Director and whose term expires at this Annual General Meeting 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 appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 36th Annual General Meeting of the Company in the calendar year 2020."

7. To appoint Mr. Varun S. Mutreja (DIN: 07022832) as a 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 Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Varun S. Mutreja (DIN: 07022832), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company 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 under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To appoint Mr. Varun S. Mutreja (DIN: 07022832) as a Chief Financial Officer and in this regard, to consider, and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the said Act) including Schedule V of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the appointment and payment of remuneration and perquisites to Mr. Varun S. Mutreja as the Chief Financial Officer of the Company designated as Director-Chief Financial Officer for a period of five years with effect from 14th November, 2014 to 13th November, 2019.

RESOLVED FURTHER THAT Mr. Varun S. Mutreja shall be paid remuneration not exceeding Rs. 1,00,000/- per month excluding the perquisites as permissible under Schedule V of the Companies Act, 2013 and shall be eligible for increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

RESOLVED FURTHER THAT the terms and conditions of the letter of appointment which is placed before the meeting and signed by Mr. Suresh N. Mutreja, Managing Director of the company for the purpose of identification is approved.

RESOLVED FURTHER THAT Mr. Varun S. Mutreja is authorized to represent the Company as Chief Financial Officer before various statutory authorities as may be required from time to time and accordingly, authorized to make submissions, written or oral, sign documents, forms, etc as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration to the extent the Board of Directors may consider appropriate and as may be authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mr. Varun S. Mutreja shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under provided that the terms of the letter of appointment between the company and Mr. Varun S. Mutreja shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Varun S. Mutreja as Whole Time Director designated as Director-Chief Financial Officer of the Company, the remuneration and perquisites set out in the aforesaid letter of appointment be paid or granted to Mr. Varun S. Mutreja as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II (A) of Schedule V to the said Act or such other amount and perquisites as may be provided in the said Schedule V whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof."

9. To appoint Mrs. Asha S. Mutreja (DIN: 07092404) as a Whole-Time Director and in this regard, to consider, and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Companies Act, 2013 (the said Act) including Schedule V of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the appointment and payment of remuneration and perquisites to Mrs. Asha S. Mutreja as the Whole-Time Director of the Company for a period of five years with effect from 1st June, 2015 to 31st May, 2020.



RESOLVED FURTHER THAT Mrs. Asha S. Mutreja shall be paid remuneration not exceeding Rs. 1,00,000/- per month excluding the perquisites as permissible under Schedule V of the Companies Act, 2013 and shall be eligible for increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

RESOLVED FURTHER THAT the terms and conditions of the letter of appointment which is placed before the meeting and signed by Mr. Suresh N. Mutreja, Managing Director of the company for the purpose of identification is approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration to the extent the Board of Directors may consider appropriate and as may be authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mrs. Asha S. Mutreja shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under provided that the terms of the letter of appointment between the company and Mrs. Asha S. Mutreja shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mrs. Asha S. Mutreja as Whole Time Director of the Company, the remuneration and perquisites set out in the aforesaid letter of appointment be paid or granted to Mrs. Asha S. Mutreja as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II (A) of Schedule V to the said Act or such other amount and perquisites as may be provided in the said Schedule V whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof."

10. 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 Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Kedia & Co., Cost Accountants Regd. No.000198, the Cost Auditors be appointed by the Board of Directors of the company, to conduct the audit of the cost records of the company for the financial year ended March 31, 2016, be paid remuneration of Rs.80,000/- as also the payment of service tax as applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.

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

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

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re enactment thereof), and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company) to sell its unit situated at 1705, IIIrd Phase, GIDC, Vapi, Gujarat at a price of Rs.2,88,57,950/- (Rupees Two Crores Eighty-Eight Lacs Fifty-Seven Thousand Nine Hundred and Fifty only) to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Mr. Suresh N. Mutreja).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to enter into an agreement for sale and sign/execute, register and submit all the required legal documents, papers, letters, writings, etc. in connection with the above matter and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."



NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item Nos. 5, 6, 7, 8, 9, 10 & 11 of the accompanying Notice are annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment under Item No. 3 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING i.e. by 10.45 am on Wednesday, August 12, 2015.
4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from August 11, 2015 to August 14, 2015, both days inclusive, for payment of final dividend, if declared at the Meeting.
10. After the declaration of the dividend at the Annual General Meeting, the same will be paid to those Members of the Company whose names stand on the Register of Members of the Company on August 10, 2015. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on August 10, 2015 as per the list provided by the Depositories for this purpose. The dividend will be payable on and from August 31, 2015.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
12. Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the company to keep the information ready. Members can also email their queries at the email address of the Compliance Officer, Mr. Pritesh Shah (pritesha@valsonindia.com)
13. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31st March, 2008 and to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012,



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the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 13th, 2014 (date of the last Annual General Meeting) on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

For Equity Shareholders :

Financial Year	Date of Declaration of Dividend	Last Date of Claiming un-paid Dividend
Final Dividend 2007 - 2008	28.07.2008	02.09.2015
Final Dividend 2008 - 2009	29.08.2009	03.11.2016
Final Dividend 2009 - 2010	30.09.2010	06.11.2017
Final Dividend 2010 - 2011	30.09.2011	05.11.2018
Final Dividend 2012 - 2013	13.08.2013	17.09.2020
Final Dividend 2013 - 2014	13.09.2014	17.10.2021

Members who have not so far received / encashed dividend for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited.

- Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.
- Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- Information required under Clause 49 of the Listing Agreement relating to Corporate Governance with respect to the Director being appointed and Directors retiring by rotation and being eligible, seeking re-appointment is as under:

Name and Particulars	Mr. Suresh N. Mutreja	Mrs. Asha S. Mutreja	Mr. Varun S. Mutreja	Mr. Pradip C. Shah
Director Identification Number(DIN)	00052046	07092404	07022832	00012803
Date of Birth	15/07/1957	09/10/1961	16/09/1984	19/05/1955
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on Board	26/06/1983	14/02/2015	14/11/2014	14/02/2015
Qualifications	B.com	B.com	MBA in Finance	B.com, LLB, FCS
Shareholding in Valson Industries Limited	15,87,000 Shares	6,19,000 Shares	2,93,000 Shares	NIL
Expertise in specific functional areas	Industrialist	Business Woman	Export, Finance and Marketing	Corporate Compliance Management and Advisory
Directorships in other Public Limited Companies*	Nil	Nil	Nil	GP Petroleum Ltd. Formerly known as Sah Petroleum Ltd.



Name and Particulars	Mr. Suresh N. Mutreja	Mrs. Asha S. Mutreja	Mr. Varun S. Mutreja	Mr. Pradip C. Shah
Memberships of Committees in other Public Limited Companies* (includes only Audit & Shareholders / Investors Grievances Committee)	Nil	Nil	Nil	Chairman- AC, GP Petroleum Ltd. SIG- Member, GP Petroleum Ltd. Formerly known as Sah Petroleum Ltd.

PROCESS FOR MEMBERS OPTING FOR E-VOTING

For members whose e-mail addresses are registered with the Company / Depositories.

Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the (AGM) may also attend the (AGM) but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on 11th August, 2015 (9:00 am) and ends on 13th August, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Valson Industries Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.



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- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to noticetome@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
- | EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/PIN |
|--|----------------|---------------------|
|--|----------------|---------------------|
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
7. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password PIN for casting your vote.
8. 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).
9. 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 7th August, 2015.
10. 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. 7th August, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
11. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
12. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
13. Mr. Punit Shah, Practicing Company Secretary (Membership No. 20536) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
16. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**By order of the Board
For Valson Industries Limited**

**(Mr. Suresh N. Mutreja)
Chairman & Managing Director**

**Place: Mumbai
Dated: 22nd May, 2015**



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 5, 6, 7, 8, 9 and 10 of the accompanying Notice dated 22nd May 2015.

ITEM NO. 5, 6 & 7 - Appointment of Mrs. Asha S. Mutreja as a Woman Director, Mr. Pradip C. Shah as an Independent Director and Mr. Varun S. Mutreja as a Director.

Mrs. Asha S. Mutreja was appointed as a Woman Director of the Company at the Board meeting held on 14th February, 2015. Mr. Pradip C. Shah was appointed as an Independent Director of the Company at the Board Meeting held on 14th February, 2015. Mr. Varun S. Mutreja was appointed as an Additional Director of the Company at the Board Meeting held on 14th November, 2014.

In terms of provisions of Section 161(1) of the Act, Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja would hold office up to the date of the ensuing Annual General Meeting. The Company has received notices in writing from members along with a deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja for the office of Directors of the Company.

It is proposed to appoint Mrs. Asha S. Mutreja as a Woman Director under Section 149 of the Act and Clause 49 of the Listing Agreement, liable to retire by rotation.

It is proposed to appoint Mr. Pradip C. Shah as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement and shall hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors for retirement by rotation.

It is proposed to appoint Mr. Varun S. Mutreja as a Director under Section 152 of the Act and Clause 49 of the Listing Agreement, liable to retire by rotation.

Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja 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 also received declaration from Mr. Pradip C. Shah that he met 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. Pradip C. Shah fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Pradip C. Shah is independent of the management.

Brief resume of Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja, 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 notice of the Annual General Meeting and Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for appointment of Mr. Pradip C. Shah as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Mr. Pradip C. Shah is interested in the resolution set out respectively at Item No. 6 of the Notice with regard to his respective appointments.

Mrs. Asha S. Mutreja, Mr. Varun S. Mutreja and Mr. Suresh N. Mutreja are interested in the resolution set out respectively at Item No. 5 & 7 of the Notice with regard to their respective appointments.

The relatives of Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja are deemed to be interested in the resolutions set out respectively at Item No. 5, 6 & 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 of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Resolutions set out at Item No. 5, 6 & 7 of the Notice for approval by the shareholders.



ITEM NO. 8 & 9 - Appointment of Mr. Varun S. Mutreja as Chief Financial Officer (CFO) and Appointment of Mrs. Asha S. Mutreja as Whole-Time Director (WTD)

The Nomination and Remuneration Committee has recommended the appointment of Mr. Varun S. Mutreja as Chief Financial Officer of the Company. Accordingly, the Board of Directors at its meeting held on 14th November, 2014 has considered the appointment of Mr. Varun S. Mutreja, as Chief Financial Officer (CFO) of the Company for the period of 5 years w.e.f. 14th November, 2014.

The Nomination and Remuneration Committee has recommended the appointment of Mrs. Asha S. Mutreja as Whole-Time Director of the Company. Accordingly, the Board of Directors at its meeting held on 22nd May, 2015 has considered the appointment of Mrs. Asha S. Mutreja as Whole-Time Director of the Company for the period of 5 years w.e.f. 1st June, 2015.

The terms and conditions of their appointment are given below:

Sr. No.	Name of Director	Designation	Responsibility
1.	Mr. Varun S. Mutreja	Chief Financial Officer	Overall Finance, Banking, Accounts of the Company
2.	Mrs. Asha S. Mutreja	Whole-Time Director	Administration of the Head Office

A. REMUNERATION & PERQUISITES

Sr. No.	Name of Director	Designation	Remuneration & Perquisites
1.	Mr. Varun S. Mutreja	Chief Financial Officer	Not exceeding Rs.1,00,000/- per month and shall be eligible for increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.
2.	Mrs. Asha S. Mutreja	Whole-Time Director	Same as Above

The perquisites shall be classified by the Board of Directors from time to time.

B. INCREMENTS

The Board of Directors shall decide the increments payable to each Directors at the end of March, every year within the overall ceiling laid down in the Schedule V so that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the ceiling provided in Part II of Schedule V to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

C. PERQUISITES

Non monetary ceiling perquisites

The following perquisites shall be payable to the two Directors and which shall not be included in the computation of the ceiling of remuneration as per Schedule V of the Companies Act, 2013.

i. Provident Fund:

The Company's contribution to Provident Fund, is as per the rules of the Company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act, 1961.



ii. Gratuity:

Gratuity not exceeding one-half months salary for each completed year of service.

iii. Superannuation:

Superannuation premium as applicable and to the extent it is not taxable under the provisions of the Income Tax Act, 1961.

iv. Leave Encashment:

Leave salary as per the rules of the Company and Encashment of Leave shall be at the end of the tenure.

D. MINIMUM REMUNERATION

The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the audited balance sheet as on 31st March, 2014 and has been fixed as provided in Part II of Schedule V to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.

During the tenure of their appointments, if the Company earns profits in excess of the limits prescribed under Schedule V or if the profits are adequate in any financial year, as per the provisions of Section 196, 197 and any other applicable provisions of the, Companies Act, 2013 then the remuneration of Mr. Varun S. Mutreja and Mrs. Asha S. Mutreja shall be paid as per the profits earned by the Company in that particular financial year.

E. OTHER CONDITIONS:

- i. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.
- ii. The Chief Financial Officer and Whole Time Director hold office as such, subject to the provisions of Section 164 & 167 of the Companies Act, 2013.
- iii. The appointment of Chief Financial Officer and Whole Time Director has been approved by the Nomination and Remuneration Committee of the Company.

The resolutions are being recommended for the approval of the members.

None of the Directors except Mr. Varun S. Mutreja and Mrs. Asha S. Mutreja are concerned or interested to the extent remuneration is payable to them. Mr. Suresh N. Mutreja is concerned or interested as relative of them.

The Board commends the Ordinary resolution set out at item no.8 for approval by shareholders.

ITEM NO. 10 - APPOINTMENT OF M/s. KEDIA & CO. AS COST AUDITOR

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Kedia & Co., Cost Accountant (Regd. No.000198), as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 as set out in the resolution, excluding applicable taxes and out of pocket expenses, which shall be paid on actual basis.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor 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. 10 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 10 of the Notice.

The Board commends the Ordinary Resolution set out at item No.10 of the Notice for approval by the shareholders.



ITEM NO. 11 - RELATED PARTY TRANSACTION

The company proposes to sell its unit situated at 1705, IIIrd Phase, GIDC, Vapi, Gujarat to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Mr. Suresh N. Mutreja).

As per section 188(1)(b) read with section 2 (76) (iv) of the Companies Act, 2013 this transaction is between two related parties and hence must be executed at an arm's length price, and as per revised Clause 49 of the Listing Agreement, the transaction is between two related parties.

As per Section 188(1)(b) read with the Companies (Meetings of Board And Its Powers) Rules, 2014, any transaction for selling or otherwise disposing of or buying property of any kind directly or through appointment of agent, exceeding ten percent of the net worth of the Company or rupees one hundred crores, whichever is lower, requires approval of shareholders by passing special resolution. The sell of unit situated at 1705 is in excess of 10% of net worth of the Company. Accordingly, the sell of unit situated at 1705, IIIrd Phase, GIDC, Vapi, Gujarat to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Mr. Suresh N. Mutreja) requires approval of shareholders.

In terms of Rule 15(3) of Companies (Meetings of Board and its powers) Rules, 2014, the following information has been provided for Related Party Transaction:

Particulars of Information	Answers
Name of the Related Party	Seller: M/s Valson Industries Limited Buyer: M/s. L. N. Industries
Name of the Director or Key Managerial Personnel who is related, if any	Mr. Suresh N. Mutreja, Mr. Varun S. Mutreja and Mrs. Asha S. Mutreja
Nature of Relationship	Mr. Suresh N. Mutreja and Mr. Lalit N. Mutreja (Partner of M/s. L. N. Industries) are Brothers
Nature, material terms, monetary value and particulars of the contract or arrangement	Nature: Sale Agreement for sale of 1705, IIIrd Phase, GIDC, Vapi, Gujarat Material Terms: The sale consideration is at arm's length and as per the valuation report of M/s. Madhav Consultancy Monetary Value: Rs. 2,88,57,950/- Particulars of Contract: As per Sale Agreement
Any other information relevant or important for the members to take a decision on the proposed resolution	All the material information has been provided.

The Audit Committee and the Board of Directors have considered sell of unit situated at 1705, IIIrd Phase, GIDC, Vapi, Gujarat to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Suresh N. Mutreja) at their meeting and have approved the proposed sell of units.

The Members are further informed that no Member(s) of the Company being a related party or having interest in the Resolution as set out at item No. 11 hereinabove shall be entitled to vote on this Special Resolution.

The Board commends the Special Resolution set out at item No.11 of the Notice for approval by the shareholders.

Except Promoter Directors (to the extent of the Shareholding interest in the Company), Mr. Suresh N. Mutreja, Mrs. Asha S. Mutreja and Mr. Varun S. Mutreja, who are Directors/ Shareholders of the Company, no other Directors and KMP of the Company is concerned/interested financially or otherwise in the said Resolution.

**By order of the Board
For Valson Industries Limited**

**(Mr. Suresh N. Mutreja)
Chairman & Managing Director**

**Place: Mumbai
Dated: 22nd May, 2015**