



NOTICE

NOTICE is hereby given that the Thirty-Third Annual General Meeting of the members of **VALSON INDUSTRIES LIMITED** will be held on Saturday, 5th day, August, 2017 at 1.00 P.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, 2017 and the Reports of the Board of Directors and the Auditors' thereon.
2. To declare dividend on Equity Shares @ 10% i.e. Re. 1/- per Equity Share.
3. To appoint a Director in place of Mrs. Asha S. Mutreja (DIN: 07092404), who retires by rotation and being eligible, offers herself 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), and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. M. A. Parikh & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No. 107556W, who have offered themselves for 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 appointed as Statutory Auditors of the Company, in place of retiring auditor M/s. Mehta Chokshi & Shah, Chartered Accountants, the outgoing auditors who has completed his term as auditor pursuant to Section 139(2) of the Act at the end of conclusion of the 33rd Annual General Meeting, be appointed as auditors of the company and 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 Mr. Kunal S. Mutreja (DIN: 07022857) 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 ("the Act") 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. Kunal S. Mutreja (DIN: 07022857), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 27th May, 2017 pursuant to the provisions of Section 161(1) of the Act 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."

6. To appoint Mr. Kunal S. Mutreja (DIN: 07022857) as a Director & Chief Executive Officer(CEO) and in this regard, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 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. Kunal S. Mutreja as the Director-CEO of the Company for a period of five years with effect from 01st June, 2017 to 31st May, 2022.

RESOLVED FURTHER THAT Mr. Kunal S. Mutreja shall be paid remuneration of Rs. 1,50,000/- per month excluding the perquisites as permissible under Schedule V of the Companies Act, 2013 and shall be eligible for yearly increments as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors from time to time, 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. Kunal S. Mutreja is authorized to represent the Company as Director-CEO 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 recommended by the Nomination & Remuneration Committee and approved by the Board of Directors 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. Kunal 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. Kunal 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. Kunal S. Mutreja as Director-CEO of the Company, the remuneration and perquisites set out in the aforesaid Letter of Appointment be paid or granted to Mr. Kunal 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."

7. To appoint M/s. Kedia & Co., Cost Accountants as a Cost Auditors of the Company 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 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 31st March, 2018, be paid remuneration of Rs. 80,000/- as also the payment of service tax as applicable and re-imburement 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."

NOTES:

1. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item Nos. 4, 5, 6 & 7 of the accompanying Notice are annexed hereto.
2. A statement giving the additional details of the Directors seeking appointment & re-appointment as set out in resolution at Item Nos. 3, 5 & 6 is annexed herewith as required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting.
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 such proxy need not be a Member of the Company. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting i.e. by 1.00 p.m. on Thursday, 3rd August, 2017. As per Secretarial Standard 2 on General Meeting, the proxy should carry a valid photo-id card to the venue to tender vote.
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 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. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company shall remain closed on all days from Saturday, 29th July, 2017 to Saturday, 5th August, 2017, both days inclusive.
10. 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.
11. 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 H. Shah (pritesh@valsonindia.com)
12. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better service:
 - i. Any change in their address;
 - ii. Particulars of their bank accounts in case the same have not been sent earlier, for dividend payment through ECS mode and
 - iii. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such holdings into one account.
13. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories, viz. NSDL and CDSL will be printed on the dividend warrants. Members are requested to inform the concerned Depository Participants of any change in address, dividend mandate, etc.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH - 13 for this purpose.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company's Registrar and Transfer Agents for receiving communication from the Company in electronic form.
16. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31st March, 2009 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 13, 2016 (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 2009 - 2010 | 30.09.2010 | 04.11.2017 |
| Final Dividend 2010 - 2011 | 30.09.2011 | 04.11.2018 |
| Final Dividend 2012 - 2013 | 13.08.2013 | 17.09.2020 |
| Final Dividend 2013 - 2014 | 13.09.2014 | 18.10.2021 |
| Final Dividend 2014 - 2015 | 14.08.2015 | 18.09.2022 |
| Final Dividend 2015 - 2016 | 13.08.2016 | 17.09.2023 |

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.

17. Information required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting relating to Documents & Information to Shareholders with respect to the Director being appointed and Director retiring by rotation and being eligible, seeking re-appointment are as under:

Item No. 3:

Mrs. Asha S. Mutreja

Mrs. Asha S. Mutreja was born on 9th October, 1961. She joined Valson Industries Limited on 14th February, 2015 as a Woman Director of the Company. She was inducted on the Board with effect from 22nd May, 2015 as a Whole - Time Director of the Company for looking after the administration at the Registered Office of the Company.

Mrs. Asha S. Mutreja is not a member of any Committees of the Company. She is a wife of Mr. Suresh N. Mutreja, Executive Chairman and mother of Mr. Varun S. Mutreja, Director & Chief Financial Officer and Mr. Kunal S. Mutreja, Director & Chief Executive Officer of the Company. She is holding 6,79,000 Equity Shares (8.86%) of the Company.

Mrs. Asha S. Mutreja is not a Director or a Member of any Committees in any Listed Company as on 31st March, 2017.

Item No. 5 & 6:

Mr. Kunal S. Mutreja

Mr. Kunal S. Mutreja was born on 11th March, 1981. He joined Valson Industries Limited on 14th November, 2014 as a Chief Executive Officer of the Company. He was inducted on the Board with effect from 01st June, 2017 as a Director & Chief Executive Officer of the Company for looking after the Production and Administration of Vapi Unit of the Company.

Mr. Kunal S. Mutreja is not a member of any Committees of the Company. He is a son of Mr. Suresh N. Mutreja, Executive Chairman and Mrs. Asha S. Mutreja, Whole-Time Director and brother of Mr. Varun S. Mutreja, Director & Chief Financial Officer of the Company. He is holding 8,00,682 Equity Shares (10.45%) of the Company.

Mr. Kunal S. Mutreja is not a Director or a Member of any Committees in any Listed Company as on 31st March, 2017.



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, Secretarial Standard 2 on General Meeting and Regulation 44 of the SEBI (LODR) Regulations 2015, the Company is pleased to provide shareholders facility to exercise their right to vote on resolution proposed to be considered at the 33rd 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 shareholders 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 papers shall also be made available at the venue of the AGM and the shareholders attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through ballot papers at the venue.
3. The shareholders 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 Wednesday, 2nd August, 2017 (9:00 am) and ends on Friday, 4th August, 2017 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of Saturday, 29th July, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the shareholder casts his vote on a resolution, the shareholder 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 Participant(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.
 - 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.

Valson Yarns - Creation Never Ends Here



- B. In case a shareholder receives physical copy of the Notice of AGM (for shareholders whose Email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy):
- i. Initial password is provided as below/ at the bottom of the Attendance Slip of 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 shareholders and remote e-voting user manual for shareholders 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) related to e-voting process.
 9. Any person, who acquires shares of the Company and become shareholder of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday, 29th July, 2017, 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.
 10. 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.
 11. Mr. Punit P. Shah, Practicing Company Secretary (Membership No. A20536) has been appointed as 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.
 12. 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.
 13. 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.
 14. The Results declared along with 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.
 15. Route Map showing directions to reach to the venue of the 33rd AGM is given at the end of this Notice as per the requirement of the Secretarial Standards 2 on General Meetings.

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

**Place: Mumbai
Date: 27th May 2017**

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



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 No. 4, 5, 6 & 7 of the accompanying Notice dated 27th May 2017.

ITEM NO. 4 - Appointment of Statutory Auditor.

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act. Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. Mehta Chokshi & Shah, the present Auditors of the Company complete their term as Auditors.

M/s. Mehta Chokshi & Shah, Chartered Accountants was re-appointed as Statutory Auditors of the Company for the Company's financial year 2016 - 17. They have continued in the office as Statutory Auditors of the Company for more than ten years as on 31st March, 2014. The Ministry of Corporate Affairs has implemented the new Companies Act w.e.f. 1st April, 2014. Pursuant to Section 139(2) of the Companies Act, 2013, they can continue as Statutory Auditors for further period of three years from 1st April, 2014 up to financial year 2016 - 17. Accordingly, their term as Statutory Auditors is completing on the conclusion of 33rd Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. Mehta Chokshi & Shah for their association with the Company as its auditors.

In view of the above, M/s. M. A. Parikh & Co., Chartered Accountants, having Registration No. 107556W, proposed to be appointed as Auditors of the Company for the Company's financial year 2017 - 18 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.

ITEM NO. 5 - Appointment of Mr. Kunal S. Mutreja as a Director.

Mr. Kunal S. Mutreja was appointed as an Additional Director of the Company at the Board Meeting held on 27th May, 2017.

In terms of provisions of Section 161(1) of the Act, Mr. Kunal 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 Mr. Kunal S. Mutreja for the office of Director of the Company.

It is proposed to appoint Mr. Kunal S. Mutreja as a Director under Section 152 of the Act, liable to retire by rotation.

Mr. Kunal S. Mutreja is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

Brief resume of Mr. Kunal S. Mutreja, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board, Committees, shareholding and relationships between directors inter-se as stipulated under the SEBI (LODR) Regulations, 2015, are provided in the notice of the Annual General Meeting and Corporate Governance Report forming part of the Annual Report.

None of the Directors except Mr. Kunal S. Mutreja is concerned or interested to the extent of his appointment as Director and Mr. Suresh N. Mutreja, Mrs. Asha S. Mutreja & Mr. Varun S. Mutreja are concerned or interested as relatives of him.

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

ITEM NO. 6 - Appointment of Mr. Kunal S. Mutreja as Director-Chief Executive Officer (CEO)

The Nomination and Remuneration Committee has recommended the appointment of Mr. Kunal S. Mutreja as



Director-CEO of the Company. Accordingly, the Board of Directors at its meeting held on 27th May, 2017 has considered the appointment of Mr. Kunal S. Mutreja, as Director-CEO of the Company for the period of 5 years w.e.f. 01st June, 2017.

The terms and conditions of their appointment are given below:

| Sr. No. | Name of Director | Designation | Responsibility |
|---------|----------------------|----------------|---|
| 1. | Mr. Kunal S. Mutreja | Director - CEO | Production and Administration of Vapi Unit of the Company |

A. REMUNERATION & PERQUISITES

| Sr. No. | Name of Director | Designation | Remuneration and perquisites |
|---------|----------------------|----------------|--|
| 1. | Mr. Kunal S. Mutreja | Director - CEO | Rs. 1,50,000/- per month and shall be eligible for yearly increments as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors from time to time, if permissible as per the provisions of the Act |

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 Mr. Kunal S. Mutreja 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 Mr. Kunal S. Mutreja 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. 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 Financial Statements as on 31st March, 2016 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 his appointment, 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. Kunal 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 Director-CEO shall hold office as such, subject to the provisions of Section 164 & 167 of the Companies Act, 2013.
- iii. The appointment of Director-CEO 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. Kunal S. Mutreja is concerned or interested to the extent remuneration is payable to him. Mr. Suresh N. Mutreja, Mrs. Asha S. Mutreja & Mr. Varun S. Mutreja are concerned or interested as relatives of him.

The Board commends the Ordinary resolution set out at Item No. 6 for approval by shareholders.

ITEM NO. 7 - 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 31st March, 2018 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2018.

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. 7 of the Notice.

The Board commends the Ordinary Resolution set out at item No. 7 of the Notice for approval by the shareholders.

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

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

**Place: Mumbai
Date: 27th May 2017**