

# NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the Thirtieth Annual General Meeting of the Members of Varroc Engineering Limited will be held at the Auditorium Hall at the Registered office of the Company at Plot No:- L-4, MIDC Industrial Area, Waluj, Aurangabad-431136, Maharashtra State, India on Wednesday, September 05, 2018 at 10:00 a.m. to transact, the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon;
  - (b) the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 and the report of the Auditors thereon;

and in this regard, to pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** the audited Financial Statements and audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 along with reports of the Board of Directors and Independent Auditors thereon as laid before meeting, be and are hereby received, considered, approved and adopted."

2. To confirm interim dividend declared by the Board of Directors as final dividend and in this regard, to pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** interim dividend at the rate of 50 paise (Fifty paise only) per equity share of ₹1 (₹ One) each (including pro-rata dividend on Compulsorily Convertible Preference Shares) and interim Preference dividend of 0.0001% on Compulsorily Convertible Preference Shares declared by the Board and paid to the shareholders, be and is hereby confirmed as final dividend for the financial year ended March 31, 2018."

3. To appoint a Director in the place of Mr. Tarang Jain who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Tarang Jain (DIN: 00027505), who retires by rotation at this Annual General meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

4. To appoint SRBC & CO. LLP, Chartered Accountants Pune, as Statutory Auditors of the Company and to fix their remuneration and in this regard, to pass 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), SRBC & CO. LLP, Chartered Accountants, Pune (Registration No. 324982E/E300003) be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Thirty fifth Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

## SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 which shall come into force with effect from April 01, 2019, consent of the members of the Company be and is hereby accorded to Mr. Naresh Chandra (DIN 00027696) to continue as Non-Executive Director and Chairman of the Company."

6. To consider, and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

**"RESOLVED THAT** Mr. Arjun Jain (DIN 07228175) who was appointed as an Additional Director/Whole-time Director of the Company pursuant to Section 161 of the Companies Act, 2013 read with Article 23(l) of 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 from a member of the Company under Section 160 of the Companies Act, 2013, in writing, proposing his candidature for the office of the Director, along with a deposit of ₹1,00,000, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197 and 203 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) and Schedule V of the Act, Mr. Arjun Jain (DIN 07228175) be and is hereby appointed as a Whole Time Director designated as President- Electrical Business of the Company for a period of 5 years with effect from August 07, 2018, liable to retire by rotation, on such terms and conditions including remuneration as stated in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as the board may think fit."

**"RESOLVED FURTHER THAT** the remuneration including benefits, amenities and perquisites as set out in explanatory statement to this notice shall nevertheless be paid and allowed to Mr. Arjun Jain as minimum remuneration during the term of his appointment for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section

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197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may deem necessary including but not limited to re-designation and promotion of Mr. Arjun Jain during the course of his employment from time to time on recommendation of Nomination and Remuneration Committee.”

7. 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) of the Companies Act, 2013 (“the Act”) read Rule 14 (a) (ii) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendments thereof, for the time being in force), the remuneration of ₹ 3,00,000 (₹ Three Lakh only) plus applicable taxes thereon and reimbursement of out of pocket expenses, if any, as approved by the Board of Directors for conducting Audit of the Cost Accounting Records of the Company for the financial year from April 01, 2018 till March 31, 2019 or extended financial year as may be decided by the Board, payable to S. R. Bhargave & Co., Cost Accountants (Firm Registration M - 000218), be and is hereby ratified and confirmed.”

“**RESOLVED FURTHER THAT** the Managing Director, Gr. CFO or Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**By Order of the Board of Directors  
For Varroc Engineering Limited**

**Rakesh Darji**  
Company Secretary  
Membership No.: ACS 13085

Place : Mumbai  
Date : August 07, 2018

## NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING  
  
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY 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 PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE HOLDER OF PROXY SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE MEETING.
- 2) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 day written notice is given to the Company.
- 3) Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 forms part of this notice.
- 4) Corporate members are requested to send in advance a duly certified copy of board resolution/power of attorney authorising their representative to attend and vote on their behalf at the meeting.
- 5) Brief details of Mr. Tarang Jain, Managing Director, (DIN 00027505) who retires by rotations and is seeking re-appointment, and of Mr. Arjun Jain who is being appointed as whole time director, are given in the annexure hereto as per requirements of the Companies Act, 2013 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).
- 6) Pursuant to Section 91 of the Companies Act, 2013, the record date for the purpose of Annual General Meeting has been fixed as Wednesday, August 29, 2018.
- 7) Sections 101 and 136 of the Companies Act, 2013 read with the rules made thereunder, permit the listed companies to send the notice of Annual General Meeting and the Annual Report, including financial statements, Board’s Report, etc. by electronic mode. The Company, is accordingly, forwarding soft copies of the above referred documents to all those members who have registered their email IDs with their respective depository participants or with Link Intime India Pvt Ltd.
- 8) To receive communications through electronic means, including Annual Reports and notice, members are requested to kindly register/update their email IDs with their respective depository participants, where shares are held in electronic form.
- 9) Documents referred to in the notice and the explanatory statement will be kept open for inspection by the members at the registered office of the Company at Plot No. L-4, MIDC Industrial Area, Waluj, Aurangabad 431 136 from Monday to Friday from 10:00 a.m. to 12:00 Noon, except holidays, up to the date of the meeting and also at the meeting.

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- 10) The following statutory registers are open for inspection by the members and others at the registered office of the Company as prescribed in the respective sections of the Companies Act, 2013 as specified below on all working days during 10:00 a.m. to 12:00 noon and at the Annual General Meeting:
  - a) Register of contracts or arrangements in which directors are interested under Section 301 of the Companies Act, 1956 and Register of contracts with related party and contracts and bodies, etc. in which directors are interested under Section 189 of the Companies Act, 2013; and
  - b) Register of directors' shareholdings under Section 307 of the Companies Act, 2013 and Register of directors and key managerial personnel and their shareholding under Section 170 of the Companies Act, 2013.
- 11) Pursuant to section 72 of the Companies Act, 2013, members holding shares in electronic mode, the nomination form may be filed with the respective depository participants.
- 12) Members/proxies are requested to bring the attendance slip/proxy form duly filled and signed for attending the meeting. Proxies are requested to bring their ID proof to the meeting for the purpose of identification.
- 13) Members/proxies are requested to bring their copy of the annual reports to the meeting.
- 14) For security reasons, no article/baggage will be allowed at the venue of the meeting.
- 15) Route map for directions to the venue of the meeting is available on the Company's website <https://www.varrogroup.com> under the tab investor relations.
- 16) Members are requested to send their queries, if any, on the matter referred to in this Annual Report, at least seven (7) days in advance of the meeting so that the information can be made available at the meeting.
- 17) For more details on shareholders' matters, please refer to the section on General Shareholder Information, included in the Annual Report.
- 18) **Voting through electronic means –**
  - (a) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, if any. The Company is pleased to provide members the facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
  - (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulation.
  - (c) During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. August 29, 2018, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
  - (d) The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, September 01, 2018 and ends at 5:00 p.m. (IST) Tuesday, September 04, 2018. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - (f) The facility for voting, either through electronic voting system or polling paper, as may be decided by the Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  - (g) Instructions for members for remote e-voting are as under:
    - Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - Click on "Shareholders" tab.
    - Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (i) Next enter the Image Verification as displayed and Click on Login.  
If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

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For Members holding shares in Demat Form and Physical Form

PAN\* Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Client ID /Folio number in the PAN field.

▪ In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. ▪ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client id/Folio number in the dividend Bank details field

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xiii) Note for Non-Individual Shareholders and Custodians Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details they have to create a user who would be able to link the account (s) which they wish to vote on. The list of accounts should be mailed to [helpdesk.voting@cdslindia.com](mailto:helpdesk.voting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or you may also contact CDSL on Toll Free 1800-200-5533 (10.00 am to 6.15 pm Monday – Friday and 10.00 am to 2.00 pm on Saturday)

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## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No.5

Mr. Naresh Chandra is one of the first directors of the Company and is father of founder of the Company Mr. Tarang Jain. He was appointed as Non-executive Director of the Company at the Board Meeting of the Company, held on March 31, 1997.

In terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 and effective from April 1, 2019, consent of the Members by way of a Special Resolution is required for continuing the directorship of a Non-Executive Director who has attained the age of seventy- five years.

Mr. Naresh Chandra, Non-Executive Director and Chairman of the Company has already attained the age of seventy-five years.

Mr. Naresh Chandra is a well-known industrialist, having long and rich experience in diverse industries and in particular, automobile industry and he is serving on the Board of the Company since 1997. The Company has achieved incredible growth under his guidance and directions and Board considers that Mr. Naresh Chandra's continued association as Non- Executive Director and Chairman of the Company would be of immense benefit to the Company. Accordingly, the Board recommends the resolution set out at Item No.5 by way of a Special Resolution for approval of the Members.

Except Mr. Naresh Chandra, Mr. Tarang Jain and Mr. Arjun Jain and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

#### Item No.6

Arjun Jain, aged 28 years, is presently working as Business Head-Electrical division of the Company. He holds a bachelor's degree in arts from Vassar College, New York. Previously he was associated with Bain & Company India Private Limited. He joined the Company on October 1, 2013 as the General Manager - Business Excellence division. He was appointed as the business head of the electrical division on May 18, 2015. From July 15, 2015 to February 6, 2018, he was also acted as the whole-time Director of the Company.

The Board of Directors of the Company at its meeting held on August 07, 2018 appointed Mr. Arjun Jain (DIN 00027505) as Additional/ Whole-time Director of the Company for a period of 5 years on such terms and conditions including remuneration as given hereunder.

1. **TERM OF APPOINTMENT:** 5 years i.e. 07/08/2018 to 06/08/ 2023

2. **TERM OF REMUNERATION:** 3 years from the date of appointment

3. **REMUNERATION / SALARY**

**A. BASIC SALARY**

Basic Salary in the scale of ₹ 3,00,000 to ₹ 5,00,000 per month, with power to grant annual increment by the Board of Directors as they may deem fit, based on the recommendation of Nomination and Remuneration Committee.

For the current financial year, Mr. Arjun Jain draws basic salary of ₹ 3,17,589/- per month.

**B. ALLOWANCES**

- House Rent Allowance payable monthly, equivalent to 50% of basic salary;
- Other allowances in the scale of ₹ 4,00,000 to ₹ 6,00,000 per month;
- Reimbursement of Leave Travel Expenses ₹ 10,000 per month.

**C. PERQUISITES**

- Health Insurance Policy as per the policy of the Company and/or reimbursement of medical expenses incurred in India where no cashless facility is available.
- Payment / reimbursement of medical expenses if any, incurred abroad including hospitalization, nursing home and surgical charges, air-fare, boarding/lodging for patient and attendant.
- Provision of Car with Driver for official as well as personal use.
- Contribution towards Provident Fund as per the rules of the company.
- Gratuity as per rules of the Company.
- Payment / reimbursement of entertainment expenses incurred in the course of business of the Company.
- Leave with full pay as per Rules of the Company; unavailed leave can be encashed as per the rules of the Company.
- Other benefits as may be applicable to senior executives of the company.

**D. VARIABLE PAY:**

Based on the performance evaluation, Mr. Arjun Jain will be entitled to a variable pay equivalent to 20% of his gross salary payable at the end of the year, as per the rules of the Company.

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## 4. VALUATION OF PERQUISITES, ETC.

The perquisites/allowances shall be valued as per the Income-tax Rules, wherever applicable, in the absence of such rules perquisites/allowances shall be valued at actual cost.

Provided that the total annual remuneration (including annual increments) payable to Mr. Arjun Jain shall not exceed ₹ 20 million during the tenure for which remuneration is approved.

A statement containing information required to be provided to the shareholders as per the provisions of Schedule V in respect of appointment of Mr. Arjun Jain is given below.

### I. GENERAL INFORMATION:

- (1) Nature of industry: Manufacturing of automotive components.
- (2) Date or expected date of commencement of commercial production: Not applicable, as the Company is an existing Company.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators

Amt. in ₹ Crores

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Total Income	2124.25	1844.50	1580.10
Total Expenditure (Incl. Finance Cost, Exch. Variance, Depreciation and Tax)	2054.42	1802.17	1562.47
Profit/(Loss) After tax	69.83	42.34	17.63
Earning Per Share (EPS) (In ₹)*	4.96	3.59	13.63

\* on split value of ₹ 1 equity share

- (5) Export performance and net foreign exchange collaborations

Amt. in ₹ Crores

Total Income	FY 2017-18	FY 2016-17	FY 2015-16
Foreign exchange directly earned through export	174.71	129.36	127.78
Other earning	11.45	11.26	11.45
Total foreign exchange used	146.51	43.57	120.32

(6) Foreign investments or collaborators, if any: Till date holding companies have made foreign investment of approx. ₹ 490.96 Crores in the share capital of the overseas subsidiaries. The Company is also having technical collaboration for manufacturing some of its products.

### II. INFORMATION ABOUT THE APPOINTEE:

- (1) Background details:  
Please refer opening para of this item for background details.
- (2) Past remuneration: During the financial year 2017-18, Mr. Arjun Jain has received a remuneration of ₹ 5.60 million
- (3) Recognition or awards: The Electrical Division of the Company has received many awards and recognitions from Industry Association, Merchant Chambers, Suppliers and Vendors under the able leadership of Mr. Arjun Jain in the area of production, operations, efficiency, excellence etc.

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- (4) Job profile and his suitability: Mr. Arjun Jain is responsible for production, operations and annual targets of the Electrical Division for India business apart from providing management support to the Company as well its wholly-owned subsidiary companies. His qualification, experience and management skills are aptly suitable for the responsibilities assigned to him.
- (5) Remuneration proposed: As mentioned hereinabove.
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration offered to Mr. Arjun Jain is at par with the industry norms considering the industry, size of the Company, profile of the position and person. The proposed remuneration is in line with remuneration paid by other automobile companies to their whole-time directors and promoters.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Arjun Jain is grandson of Mr. Naresh Chandra and son of Mr. Tarang Jain, Managing Director and promoter of the Company. He holds 5,000 equity shares in the company and along with his relatives hold in aggregate 85% of the paid up equity capital of the Company.

### III. OTHER INFORMATION:

- (1) Reasons of loss or inadequate profits: The Company is having consistent profit track record. During the Financial Year ended March 31, 2018, the Company made Profit after Tax of ₹ 69.83 Crores. The Company has made adequate profit for the financial year 2017-18 and is expected to maintain its profitability in the years to come.
- (2) Steps taken or proposed to be taken for improvement: To mitigate the adverse impact, if any, the Company has planned profitability drive, both in the domestic and the international markets using a strategy of differentiating itself by its intense customer relationships, product development capabilities and manufacturing excellence. The Company is investing heavily in R&D to grow its domestic business with customers such as Honda and Hero in the growing scooter segment and is also penetrating in international market by relying on its technology and management capabilities to offer advanced passenger car lighting systems to a diverse customer base.

Further the company is partnering with a leading technology provider company to develop new product for the two-wheeler market which will help Company gain early share in a market which will be disrupted by the stringent BS VI emission norms. The company is preparing to invest in electronics and software capabilities to develop next generation electronic clusters and security systems, both of which are requested by a leading OEM.

- (3) Expected increase in productivity and profits in measurable terms: It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

### IV. DISCLOSURES:

- (1) Details of remuneration being offered are given in the above para.
- (2) Mr. Arjun Jain holds 5,000 equity shares in the Company.
- (3) The overall remuneration consist of performance linked incentives upto maximum of ₹ 25 Lakh per annum, or as may be altered from time to time;
- (4) Mr. Arjun Jain is not entitled to any severance fees or compensation for loss of office and Notice period is 3 months;

The Board is of the opinion that his knowledge and experience will be of benefit to the Company.

The Nomination and Remuneration Committee of the Board discussed and recommended for approval of remuneration payable to Mr. Arjun Jain and agreed to the remuneration proposed. There is no change in the remuneration payable to Mr. Arjun Jain on his appointment as whole-time director.

Section 197 and 203 read with Schedule V of the Companies Act, 2013 provides that the appointment and remuneration of whole-time directors shall be subject to approval of shareholders in a general meeting. Accordingly, resolution at Item No.6 is proposed to seek approval of the shareholders of the Company by Special Resolution for appointment of Mr. Arjun Jain as Whole-time Director of the Company and payment of remuneration as specified therein.

The Board of Directors of the Company recommends passing of the Special Resolution as set out at Item No.6 of the Notice by the Members of the Company.

Mr. Arjun Jain being appointee shall be considered as interested or concerned in the said Resolution. In addition, Mr. Naresh Chandra, Chairman, Mrs. Suman Jain, Mr. Tarang Jain and Mr. Dhruv Jain, who are holding shares in the Company or are holding beneficial interest in the shares of the Company, shall be considered as interested or concerned in the above resolution as relatives of Mr. Arjun Jain.

Except as stated above, none of the other Directors or Key Managerial Persons of the Company or their respective relatives, are in any way, financially or otherwise, concerned or interested in the passing of the resolution set out at Item No. 6.

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## Item No.7

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of S. R. Bhargave & Co. Cost Accountants, as Cost Auditors of the Company for auditing the cost accounts of the Company relating to the products of the Company, as applicable, for the financial year 2018 -19 at a remuneration of ₹ 3,00,000/- and applicable rate of taxes and reimbursement of out of pocket expenses at actuals. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders of the Company.

The Board of Directors recommends Ordinary Resolution as proposed at item no.7 of the notice for approval by the shareholders.

None of the Promoters, Directors, Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise, in this resolution.

**By Order of the Board of Directors  
For Varroc Engineering Limited**

**Rakesh Darji**  
Company Secretary  
Membership No.: ACS 13085

Place: Mumbai  
Date: August 07, 2018



## NOTICE TO SHAREHOLDERS

Mr. Tarang Jain					
<b>Age</b>	56				
<b>Qualification</b>	Bachelor's degree in commerce from Sydenham College of Commerce and Economics, University of Bombay and a diploma in business administration from University of Laussane, Switzerland				
<b>Experience (including expertise in specific functional area) / Brief Resume</b>	30 years of experience in the automotive industry. The detailed profile of Mr. Tarang Jain is appearing separately in this Annual Report.				
<b>Terms and Conditions of Re-appointment</b>	No change proposed for re-appointment.				
<b>Remuneration last drawn (including sitting fees, if any)</b>	₹47.5 million per annum for FY 17-18.				
<b>Remuneration proposed to be paid</b>	No change proposed in remuneration for FY 18-19.				
<b>Date of first appointment on the Board</b>	Mr. Tarang Jain is a director of the Company since inception of the Company i.e. May 11, 1988.				
<b>Shareholding in the Company as on March 31, 2018</b>	<ol style="list-style-type: none"> <li>5,07,98,590 equity shares of ₹1/- each</li> <li>3,38,50,000 equity shares of ₹1/- each in his capacity as a trustee of TJ Holdings Trust</li> <li>1,16,83,770 preference shares of ₹1/- each (These shares were subsequently converted into Equity shares in the ratio of 1:1 on May 31, 2018)</li> </ol>				
<b>Relationship with other Directors / Key Managerial Personnel</b>	Son of Mr. Naresh Chandra, Chairman Father of Mr. Arjun Jain, Whole-time Director				
<b>Number of meetings of the Board attended during the financial year (2017-18)</b>	5				
<b>Directorships of other Boards as on March 31, 2018</b>	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Indian companies</th> <th style="text-align: left;">Foreign companies</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ol style="list-style-type: none"> <li>Varroc Polymers Private Limited</li> <li>Varroc Lighting Systems (India) Private Limited</li> <li>Durovalves India Private Limited</li> <li>Rudritara Properties Private Limited</li> <li>Marathwada Auto Cluster</li> </ol> </td> <td style="vertical-align: top;"> <ol style="list-style-type: none"> <li>Varroc European Holding B.V.</li> <li>VarrocCorp Holding B.V, Netherland</li> <li>Varroc Lighting Systems, SRO, Czech Republic</li> <li>Varroc Lighting Systems, Mexico</li> <li>Varroc Lighting Systems Inc., USA</li> <li>TRIO.M., S.p.A., Italy</li> <li>Electromures S.A., Romania</li> <li>I.M.E.S., Italy</li> <li>Varroc TYC Corporation, BVI</li> <li>Varroc TYC Auto Lamps Co. Ltd., China</li> <li>Varroc TYC Auto Lamps Co. Ltd, (CQ), China</li> <li>Varroc Lighting Systems s.p.z.o.o., Poland</li> <li>Varroc Do Brasil Comércio, Importação E Exportação De Máquinas, Equipamento E Peças LTDA., Brazil</li> <li>Varroc Lighting Systems SA, Morocco</li> </ol> </td> </tr> </tbody> </table>	Indian companies	Foreign companies	<ol style="list-style-type: none"> <li>Varroc Polymers Private Limited</li> <li>Varroc Lighting Systems (India) Private Limited</li> <li>Durovalves India Private Limited</li> <li>Rudritara Properties Private Limited</li> <li>Marathwada Auto Cluster</li> </ol>	<ol style="list-style-type: none"> <li>Varroc European Holding B.V.</li> <li>VarrocCorp Holding B.V, Netherland</li> <li>Varroc Lighting Systems, SRO, Czech Republic</li> <li>Varroc Lighting Systems, Mexico</li> <li>Varroc Lighting Systems Inc., USA</li> <li>TRIO.M., S.p.A., Italy</li> <li>Electromures S.A., Romania</li> <li>I.M.E.S., Italy</li> <li>Varroc TYC Corporation, BVI</li> <li>Varroc TYC Auto Lamps Co. Ltd., China</li> <li>Varroc TYC Auto Lamps Co. Ltd, (CQ), China</li> <li>Varroc Lighting Systems s.p.z.o.o., Poland</li> <li>Varroc Do Brasil Comércio, Importação E Exportação De Máquinas, Equipamento E Peças LTDA., Brazil</li> <li>Varroc Lighting Systems SA, Morocco</li> </ol>
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<b>Membership / Chairmanship of Committees of other Boards as on March 31, 2018</b>	<ol style="list-style-type: none"> <li>Varroc Polymers Private Limited - CSR Committee - Member</li> <li>Durovalves India Private Limited - CSR Committee- Member</li> <li>Varroc Lighting Systems (India) Private Limited - CSR Committee, Chairman</li> </ol>				

## NOTICE TO SHAREHOLDERS

Mr. Arjun Jain			
<b>Age</b>	28		
<b>Qualification</b>	Bachelor's degree in arts from Vassar College, New York		
<b>Experience (including expertise in specific functional area) / Brief Resume</b>	Mr. Arjun Jain was associated with Bain & Company India Private Limited. He joined the Company on October 1, 2013 as the general manager - business excellence division. He was appointed as the business head of the electrical division on May 18, 2015. From July 15, 2015 to February 6, 2018, he was also the whole-time Director of our Company.		
<b>Terms and Conditions of Re-appointment</b>	The terms and conditions of appointment of Mr. Arjun Jain are appearing in explanatory statement to Item No.6 annexed with this notice. He will be liable by rotation.		
<b>Remuneration last drawn (including sitting fees, if any)</b>	₹ 56 Lakh per annum		
<b>Remuneration proposed to be paid</b>	As per terms and conditions recommended by the Nomination and Remuneration Committee and approved by Board of Directors ₹1.40 Crore for FY 2018-19.		
<b>Date of first appointment on the Board</b>	On July 15, 2015 as the general manager - business excellence division.		
<b>Shareholding in the Company as on March 31, 2018</b>	5,000 equity shares of ₹.1 each		
<b>Relationship with other Directors / Key Managerial Personnel</b>	Son of Mr. Tarang Jain, Managing Director Grandson of Mr. Naresh Chandra, Chairman		
<b>Number of meetings of the Board attended during the financial year (2017-18)</b>	4		
<b>Directorships of other Boards as on March 31, 2018</b>	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <b>Indian companies</b>                       1. Varroc Lighting Systems (India) Private Limited                 </td> <td style="vertical-align: top; width: 50%;"> <b>Foreign companies</b>                       1. VarrocCorp Holding B.V, The Netherlands                      2. Varroc Lighting Systems, SRO, Czech Republic                      3. Varroc Lighting Systems, Mexico                      4. Varroc Lighting Systems Inc., USA                      5. TRIO.M., S.p.A., Italy                      6. Electromures S.A., Romania                 </td> </tr> </table>	<b>Indian companies</b>  1. Varroc Lighting Systems (India) Private Limited	<b>Foreign companies</b>  1. VarrocCorp Holding B.V, The Netherlands 2. Varroc Lighting Systems, SRO, Czech Republic 3. Varroc Lighting Systems, Mexico 4. Varroc Lighting Systems Inc., USA 5. TRIO.M., S.p.A., Italy 6. Electromures S.A., Romania
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<b>Membership / Chairmanship of Committees of other Boards as on March 31, 2018</b>	Varroc Lighting Systems (India) Private Limited - CSR Committee, Member		

# NOTICE TO SHAREHOLDERS

## VARROC ENGINEERING LIMITED

Regd. Office: Plot No. L-4, MIDC Industrial Area, Waluj, Aurangabad 431136

### ADMISSION SLIP

Folio No. / DP ID No. & Client ID No.*	
No. of Equity Shares held	

I hereby record my presence at the 30th Annual General Meeting of **VARROC ENGINEERING LIMITED** held on September 05 2018 at 10:00 am at the Auditorium, at the registered office at Plot No. L-4, MIDC Industrial Area, Waluj, Aurangabad-431136.

Name of Shareholder (In Block Letters)	
Name of the Proxy holder / Authorised Representative	

\*Applicable for investors holding shares in Electronic Mode

\_\_\_\_\_  
Signature of the Shareholder/Proxy/Authorised Representative

#### NOTE:

1. A member / proxy / authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to the Meeting and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the Meeting.

## VARROC ENGINEERING LIMITED

Regd. Office: Plot No. L-4, MIDC Industrial Area, Waluj, Aurangabad 431136

### PROXY FORM

I/We.....of.....  
.....being a member/members of VARROC ENGINEERING LIMITED hereby appoint  
Shri./Smt./Kum.....of.....or failing him / her  
Shri./Smt./Kum.....of.....or failing him / her  
Shri./Smt./Kum.....of.....as my/ our Proxy in  
my/our absence to attend and vote for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of **VARROC ENGINEERING LIMITED** to be held on Wednesday, September 05, 2018 at 10:00 a.m. at the Auditorium, registered office at Plot No. L-4, MIDC Industrial Area, Waluj, Aurangabad-431136 and at any adjournment thereof.

Signed this ..... day of ..... 2018.

Folio No. / DP ID No. & Client ID No.*	
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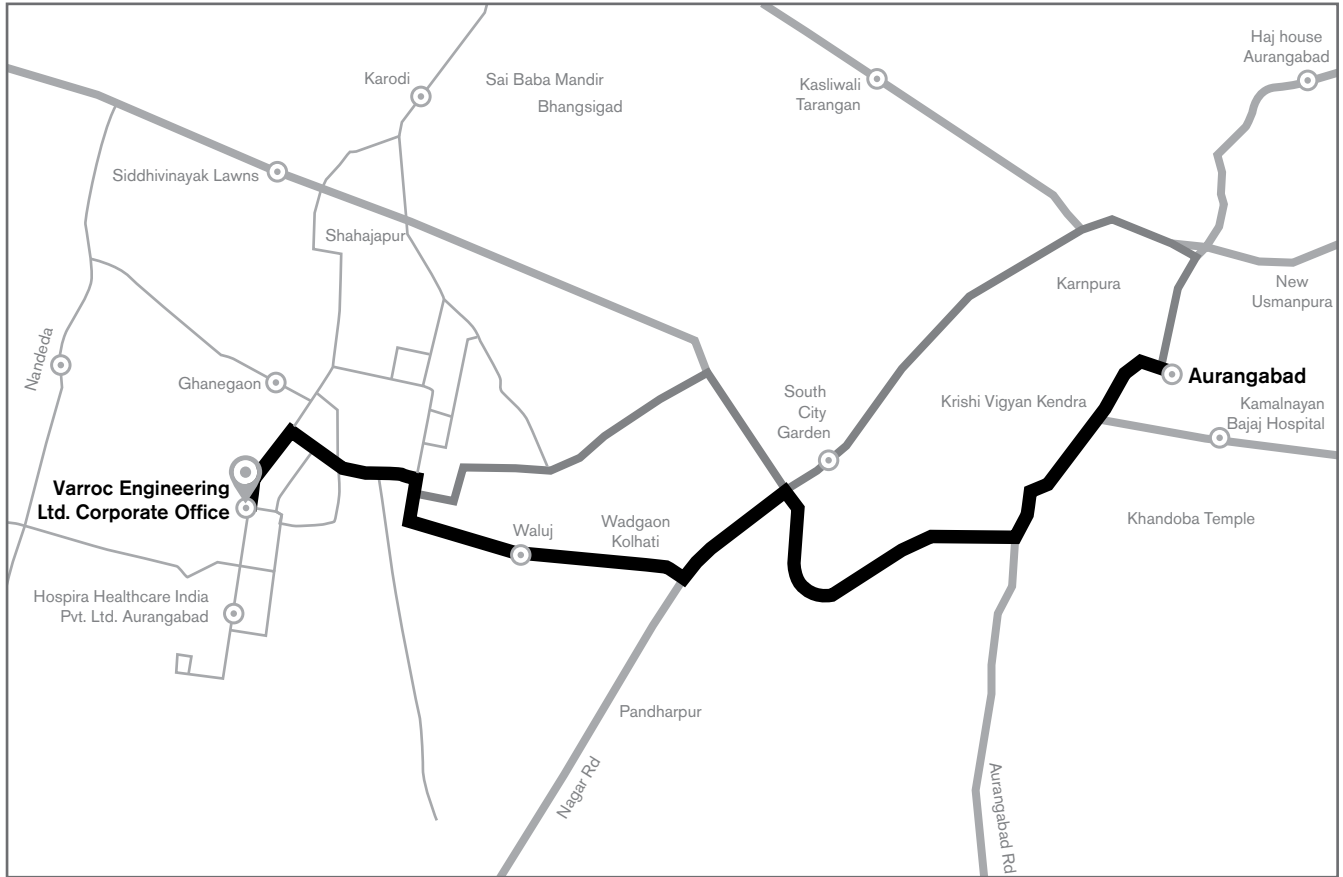
Signature Affix Revenue Stamp
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No. of Equity Shares held	
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\* Strike out whichever is not applicable.

**Note:** The proxy, in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

## Route Map for reaching the venue of Annual General Meeting



Note : The Company has arranged bus facility for reaching the venue of Annual General Meeting from Aurangabad city. The bus route is as under:

START from CIDCO Bus Stand ► Kranti Chowk ► Railway Station ► Baba Petrol Pump ► Oasis Chowk ► MIDC Road ► Simens Chowk ► MSEDCL Office ► Varroc Registered Office (END)