



VALECHA ENGINEERING LIMITED

(CIN: L74210MH1977PLC019535)

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NOTICE OF POSTAL BALLOT

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Notice is hereby given to the Members of Valecha Engineering Limited pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 for transacting the following special business by the members of Valecha Engineering Limited (“the Company”) by passing resolutions through postal ballot.

1. To approve issue of up to 30,00,000 (thirty lakhs) equity shares of the Company on preferential basis in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”)

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Act”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, provisions of Chapter VII – “Preferential Issue” and other applicable provisions, if any, of the ICDR Regulations, the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”) and other competent authorities and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, RBI, the Government of India, etc.), and all such other approvals, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, up to 30,00,000 (thirty lakhs) fully paid-up equity shares of the Company, having face value of Rs. 10/- (Rupees Ten Only) each, at the minimum price as determined as on the Relevant Date in accordance with Regulation 76 of the ICDR Regulations and applicable law, to certain persons / entities as mentioned in the explanatory statement (hereinafter referred to as the “Proposed Allottees”) whether they are Shareholders of the Company or not, by way of a preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit.”

“RESOLVED FURTHER THAT in accordance with Regulation 71(a) of the ICDR Regulations, the “Relevant Date”, for determining the minimum price of the equity shares being allotted to the Proposed Allottees, on a preferential basis, is 20th March, 2015 being the date which is 30 (Thirty) days prior to the date when the results of this postal ballot are announced.”

“RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution shall be made fully paid up at the time of allotment and shall rank pari passu with the existing equity shares of the Company in all respects and the same shall be subject to lock-in for such period that may be prescribed under Regulation 78 of the ICDR Regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board/Committee of the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to authorised representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of allotment, deciding and / or finalising other terms of issue and allotment in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to SEBI, the RBI, the Government of India, etc. and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, allotment and listing of the equity shares, including utilisation of the issue proceeds and to execute all such deeds, documents,

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writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.”

2. Giving Loans/ Guarantees or providing securities and/or making investments by the Company.

To consider and if thought fit, to give ASSENT/DISSENT to the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of all the earlier Resolutions passed in this regard, pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), and the Rules framed thereunder including any statutory modification or re-enactment thereof for the time being in force, and such other approvals as may be required in that behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to:

- a. give any loans to any person or other body corporate or;
- b. give any guarantees or to provide security in connection with a loan to any other body corporate or person or;
- c. acquire by way of subscription, purchase or otherwise the securities of any other body corporate exceeding sixty percent of Company’s paid up capital and its free reserves and securities premium account or hundred percent of its free reserves and securities premium account, provided that the total loans or investments made, guarantees given, and securities provided shall not exceed an aggregate amount of Rs. 1000 Crores (Rupees One Thousand Crores).

“FURTHER RESOLVED THAT the consent of the Company be and is hereby accorded to the Board to invest in the Subsidiaries, Associates, Related Parties, make loans to them; provide guarantees/security on their behalf, to person, within the limits, if any, as may be applicable from time to time and on such terms and conditions as may be deemed fit and expedient.”

“FURTHER RESOLVED THAT the Board be and is hereby authorised to negotiate the terms and conditions of the above said investments, loan(s), security(ies) or guarantee(s) as they deem fit and in the best interest of the Company and take all such steps as may be necessary to complete the same.”

“FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company.”

Annexure to the Notice Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

Item No. 1:

To approve issue of up to 30,00,000 (thirty lakhs) equity shares of the Company on preferential basis in terms of ICDR Regulations.

Present preferential issue of Equity Shares is proposed to be made to non promoter Foreign Institutional Investors, which are incorporated in Mauritius. All the proposed allottees are registered with SEBI. All the proposed allottees have already obtained PAN. The proposed allottees are desirous of infusing funds in form of equity share capital and which is proposed to be inter alia used primarily for funding long term working capital requirements of the Company.

In terms of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 and Rules made thereunder (the “Act”), a company can undertake preferential allotment/private placement only after obtaining prior approval of the shareholders by way of special resolution in terms of Section 42 and 62(1)(c) of the Companies Act, 2013 read with provisions of Chapter VII – “Preferential Issue” of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “ICDR Regulations”), as amended, and on the terms and conditions and formalities as stipulated in the Act and the ICDR Regulations.

Accordingly, the Company proposes to issue and allot, up to 30,00,000 (thirty lakhs) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each of the Company, at the price not less than the price as determined as on Relevant Date in accordance with Regulation 76 of the ICDR Regulations and applicable law, to the Proposed Allottees as mentioned below.

The following details of the proposed preferential issue of the equity shares are disclosed in accordance with the provisions of the Act and the ICDR Regulations, as amended from time to time:

(i) The object / purpose of the preferential issue:

The object of the issue is funding long term working capital requirements of the Company.

(ii) The total number of shares or other securities to be issued:

The Board intends to offer, issue and allot up to 30,00,000 (thirty lakhs) fully paid-up equity shares of the Company, having face value of Rs. 10/- (Rupees Ten Only) each, at the minimum price as determined as on Relevant Date in accordance with Regulation 76 of the ICDR Regulations and applicable law.

(iii) The price at which the allotment is proposed:

The price at which the issue shall be made shall be not less than the price as determined as on Relevant Date in accordance with Regulation 76 of the ICDR Regulations and applicable law.

(iv) Basis on which the price has been arrived at along with report of the registered valuer:

As such this is not applicable in the present case since the Company is a listed company and the pricing is in terms of the ICDR Regulations.

(v) Relevant date with reference to which the price has been arrived at:

The “Relevant Date” in terms of Regulation 71(a) of the ICDR Regulations for determination of minimum price is 20th March, 2015, being a date which is 30 (Thirty) days prior to the date when the results of this postal ballot are announced (It is hereby clarified that the thirtieth day from the date when the results of this postal ballot are to be announced is 21st March, 2015 which is a trading holiday and hence the Relevant Date is 20th March, 2015 in terms of explanation to Regulation 71 of the ICDR Regulations).

(vi) The class or classes of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to the Proposed Allottees as mentioned at point no.(ix) below.

(vii) The intention / proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential offer:

None of the current Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential offer.

(viii) Proposed time within which the allotment shall be completed:

The Company will issue and allot equity shares to Proposed Allottees within the time limit specified under the ICDR Regulations or any longer time limit as may be permitted under the ICDR Regulations.

(ix) The identity of the Proposed Allottees, maximum number of equity shares proposed to be issued and the percentage of post issue capital that may be held by the Proposed Allottees:

Details of the Proposed Allottees:

Sr. No.	Proposed Allottees	Natural persons who ultimately controls the Proposed Allottee (Board of Director of the proposed allottees/ultimate owner)	Category	Maximum no. of equity shares	Pre-Issue shareholding		Post-Issue shareholding	
					No. of shares	%	No. of shares	%
1	Hypnos Fund	Shareholding – Ms. Anita Master (100%)	FII (Non Promoter)	20,00,000	Nil	Nil	20,00,000	8.87
2	Emerging India Fund Management Limited	Board of Directors – Mr. Maharoor Parokkot, Mr. Prakash Shanker Rajkomar and Rohit Kumar	FII (Non Promoter)	10,00,000	Nil	Nil	10,00,000	4.43
	TOTAL			30,00,000			30,00,000	13.30

Since there is no prior shareholding of the proposed allottees, holding of pre-preferential shareholding in demat form is not applicable.

The proposed allottees have not sold any shares of the Company during the six months period prior to the relevant date.

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(x) The change in control, if any, in the Company that would occur consequent to the preferential offer:

There shall be no change in management or control of the Company pursuant to the issue of equity shares.

(xi) Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price:

Post 31st March, 2014 and up to the date of this Notice, the following preferential allotments have been made:

Date of allotment	No. of Securities allotted	Issue Price	No. of allottee(s)	Remarks
Nil	Nil	Nil	Nil	Nil

(xii) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

This is not applicable in the present case since the Company being a listed company the pricing is in terms of ICDR Regulations. Further, the proposed allotment is for cash consideration.

(xiii) The pre issue and post issue shareholding pattern of the Company:

The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to Proposed Allottees is provided hereunder:

Sr. No.	Category	Pre-Issue as of [06-03-2015]		Post-Issue	
		Number of shares	% of shareholding	Number of shares	% of shareholding
A	Promoters' holding:				
1	Indian:				
	Individual	1538204	7.88	1538204	6.83
	Bodies Corporate	7155173	36.64	7155173	31.76
	Sub-Total (A1)	8693377	44.51	8693377	38.59
2	Foreign Promoters	0	0.00	0	0.00
	Sub-Total (A2)	0	0.00	0	0.00
	Sub-Total A [(A1) + (A2)]	8693377	44.51	8693377	38.59
B	Non-Promoters' Shareholding				
1	Institutional Investors				
	Financial Institutions / Banks	180	0.00	180	0.00
	Insurance Companies	699772	3.58	699772	3.11
	Others	716944	3.67	716944	3.18
	Sub-Total (B1)	1416896	7.25	1416896	6.29
2	Non-Institutions:				
	Private Corporate Bodies	2367334	12.12	2367334	10.51
	Directors and Relatives (other than Promoters)	347698	1.78	347698	1.54
	Indian Public	5464231	27.98	5464231	24.25
	Proposed Allottees-FIIs *	0	0.00	3000000	13.32
	Others (including NRI)	1240489	6.35	1240489	5.51
	Sub-Total (B2)	9419752	48.23	12419752	55.13
	Sub-Total B [(B1) + (B2)]	10836648	55.49	13836648	61.41
C	GDRs	0	0.00	0	0.00
	GRAND TOTAL [(A) + (B) + (C)]	19530025	100.00	22530025	100.00

* Assuming subscription and allotment of entire 30,00,000 equity shares.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of the equity shares.

(xiv) Undertaking to recomputed price and Undertaking to put under lock-in till the recomputed price is paid:

The Company undertakes that if required, the price shall be recomputed in terms of the provision of the ICDR Regulations. If the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the ICDR Regulations, the specified securities shall continue to be locked in till such amount is paid by the allottees.

(xv) Certificate from Statutory Auditors:

A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of ICDR Regulations shall be made available for inspection at the registered office of the Company on or after 25th March, 2015 between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of the Postal Ballot.

(xvi) Lock-in Period:

The securities allotted to Proposed Allottees shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations.

The consent of the Shareholders is sought for the issue of equity shares in terms of Section 62(1)(c) and other applicable provisions, if any, of the Act and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Item No.1 of the accompanying Notice.

Item No. 2:

As per the provisions of Section 186 of the Companies Act, 2013 (the 'Act'), it would be necessary to obtain the approval of the members for:

- making loans to any person or other body corporate;
- giving guarantee or provide security in connection with a loan to any other bodies corporate or person; and
- acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, in excess of the limits of:
 - 60% of the paid-up share capital and free reserves and securities premium account; or
 - 100% of the free reserves and securities premium account; whichever is higher.

The Company has been investing/making loans/providing guarantees/security. In order to enable the Company to invest/make loans/provide guarantees/security, it is considered necessary to obtain the approval of the members to make loan/invest/provide guarantees/security, for an amount not exceeding Rs.1,000 Crores, under the provisions of Section 186 of the Companies Act, 2013.

The Board recommends passing the Special Resolution set out in Item No. 2 of the Postal Ballot Notice.

Your approval is being sought by voting through Postal Ballot pursuant to the provisions of Section 110 of the Act and the Rules as may be applicable for passing the Special Resolution as set out in this Notice.

Directors, Key Managerial Personnel and their relatives may be concerned or interested in the resolution to the extent of their directorship/shareholding in any of the subsidiaries/associate companies/joint ventures.

NOTES:

1. The Explanatory Statement setting out all the material facts and reasons pursuant to Sections 110 and 102 of the Companies Act, 2013 (the 'Act') is annexed hereto.
2. Mr. Devang Vyas, Practicing Company Secretary (Membership No. FCS No. 2874) will act as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members/Records of Depositories as on Friday, 13th March, 2015.

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4. A Member exercising vote through Postal Ballot may complete the enclosed Postal Ballot Form and return in the attached self addressed postage prepaid Business Reply Envelope. Postage will be borne and paid by the Company. Further, the Postal Ballot Forms, if sent by courier/Registered Post at the expense of the Members will also be accepted. The Postal Ballot Forms may also be lodged personally at the address given thereon.
5. The Postal Ballot Forms shall reach the Scrutinizer not later than the close of business hours i.e. 5.00 p.m. on Friday, 17th April, 2015. The Postal Ballot forms received thereafter shall not be considered.
6. In compliance with Clause 35B of the Listing Agreement and provisions of Section 110 of the Act read with the Rules, the Company is pleased to provide Electronic Voting (“e-voting”) facility as an alternate, to all its Members, to enable them to cast their votes electronically instead of despatching the physical Postal Ballot Form by post. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to its Members. It may be noted that e-voting is optional.

Kindly note that the Members can opt only one mode of voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote through Physical Ballot Form also and vice versa. However, in case a Member has cast his vote both through Physical Ballot and e-voting, then voting validly done through e-voting shall prevail and voting done in physical form shall be treated as invalid.

7. Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode are being sent Notice of Postal Ballot by e-mail and to others are being sent by registered post speed post/courier along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link www.valechaeng.com or seek duplicate Postal Ballot Form from M/s. TSR Darashaw Limited, Unit: Valecha Engineering Limited, 6-10 Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi, MUMBAI - 400 011, fill in the details and send the same to the Scrutinizer.

8. E-voting instructions:

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

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

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

- B. In case of Members who receive the Notice by post:
- (a) User ID and initial password is provided with the notice.
 - (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to cast your vote.
- C. Members already registered with NSDL for e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to cast your vote.
- D. The period for e-voting starts at 9.00 a.m. on Thursday, 19th March, 2015 and ends at 5.00 p.m. on Friday, 17th April, 2015. E-voting shall be disabled by NSDL at 5.00 p.m. on 17th April, 2015. During this period, shareholders of the company holding shares either in physical form or dematerialized form, as on the cut-off date 13th March, 2015 may cast their vote electronically.
- E. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com. You may also address your queries relating to e-voting to the e-mail ID: evoting@nsdl.co.in
- F. General Information
- (a) Every Client ID No./Folio No. shall have one e-vote, irrespective of the number of joint holders.
 - (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on 13th March, 2015 the cut-off date.
 - (c) E-voting right cannot be exercised by a proxy.
 - (d) Mr. Devang J. Vyas, Practicing Company Secretary (Membership No. FCS 2874) has been appointed as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (e) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes caste in favour of or against, if any, forthwith to the Chairman of the Company.
 - (f) The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company www.valechaeng.com and on the NSDL website <https://www.evoting.nsdl.com> within two working days from declaration of results.

By order of the Board
For **VALECHA ENGINEERING LIMITED**

KAVITA VALECHA SHARMA
Company Secretary

Mumbai : 13th March, 2015

Encl : 1. Postal Ballot Form
2. Self-addressed postage pre-paid envelope

