

Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel +91 240 6653600
Fax +91 240 2564540

email: varroc.info@varroc.com
www.varrocgroup.com
(CIN: L28920MH1988PLC047335)



VARROC/SE/INT/2019-20/32

July 19, 2019

To,

(1) The Manager – Listing
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051

(2) The Manager - Listing
The Corporate Relation Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol: VARROC

BSE Security Code: 541578
Security ID: VARROC

Dear Sir/Madam,

Sub.: Notice of Annual General Meeting (F.Y. 2018-19)

Ref.: Regulation 30 read with Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

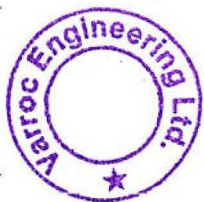
In continuation to our letter dated July 15, 2019 (i.e. Submission of Annual Report & AGM Notice for F.Y. 2018-19), we are enclosing separately the Notice of 31st Annual General Meeting of the Company scheduled to be held on Friday, August 09, 2019 at 10:00 a.m. at the Auditorium Hall located at the Registered Office of the Company situated at Plot No. L-4, MIDC Industrial Area, Waluj, Aurangabad-431136, Maharashtra.

The Notice of AGM, Annual Report and other necessary documents are also available on the Company's website at www.varrocgroup.com.

Kindly take the above on your record and disseminate to all concerned.

Thanking you.

Yours faithfully,
For Varroc Engineering Limited



Rakesh Darji
Company Secretary & Compliance Officer

Encl. : Notice of Annual General Meeting

Copy to: Link Intime India Private Limited,
Registrar & Share Transfer Agent

Notice to Shareholders

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Varroc Engineering Limited will be held at the Auditorium Hall located at the Registered Office of the Company situated at L-4, MIDC Industrial Area, Waluj, Aurangabad-431136, Maharashtra, India on Friday, 9th day of August, 2019 at 10:00 a.m. to transact, the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon;
- (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 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 (Standalone and Consolidated) of the Company for the financial year ended March 31, 2019 along with reports of the Board of Directors and Independent Auditors thereon as laid before the meeting, be and are hereby received, considered, approved and adopted."

2. To declare a dividend on Ordinary (Equity) Shares.
3. To appoint a Director in the place of Mr. Naresh Chandra 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. Naresh Chandra (DIN 00027696), 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."

SPECIAL BUSINESS:

4. **To Increase borrowing limits of the Company**

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

"RESOLVED THAT in supersession of the earlier Resolution passed by the Members at their Extra-ordinary General Meeting held on November 2, 2013 and pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any modification or re-enactment thereof for the time being in force) read with Rules made thereunder, the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to borrow from time to time any sum or sums of monies (exclusive of interest) on such terms and conditions as may be determined, from anyone or more of the Company's bankers and/or from other banks, persons, firms, companies/bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and/or any entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures, long term loans, suppliers' credit, securitized instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institution, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licences and properties, whether immovable or movable and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves and securities premium account of the Company, that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the moneys may be borrowed by the Company and outstanding at any time shall not exceed the sum of ₹ 2,000 Crore (Rupees Two Thousand Crore Only)."

"RESOLVED FURTHER THAT in connection with the aforesaid, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

5. **Creation of Mortgage/Charge on the assets of the Company**

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

"RESOLVED THAT in supersession of the earlier Resolution passed by the Members at their Extra-ordinary General Meeting held on August 30, 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any modification or re-enactment thereof for the time being in force) read with Rules made thereunder, the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to sell, mortgage and / or charge, in addition to the mortgages / charges already created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and / or immovable properties of the Company, and / or

Notice to Shareholders

the interest held by the Company in all or any of the movable and / or immovable properties, both present and future and / or the whole or any part of the undertaking(s) of the Company, together with the power to take over the management of business and concern of the Company in certain events of default, in favour of the Company's bankers and/or other banks, persons, firms, companies/bodies corporate, trustee(s), financial institution(s), institutional investor(s), mutual fund(s), insurance company/ies, pension fund(s) and/or any entity/entities or authority/authorities, whether in India or abroad, for securing the borrowings of the Company already availed/to be availed, from time to time, PROVIDED THAT the total outstanding amount at any time so secured shall not exceed ₹ 2,000 crores (exclusive of interest and other charges) or upto such higher amount/s as may be so consented by the members of the Company from time to time, in future pursuant to Section 180(1)(c) of the Act."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to and cause to prepare, finalise, approve and execute on behalf of the Company, all documents, deeds, agreements, declarations, undertakings and writings as may be necessary and/or expedient for giving effect to the foregoing resolution and to vary and /or alter the terms and conditions of the security created/to be created as aforesaid as it may deem fit and generally to do and/or cause to do all acts, deeds matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

6. Increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate

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

"**RESOLVED THAT** in supersession of the earlier Resolution passed by the Members at their Annual General Meeting held on November 1, 2016 and pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any modification or re-enactment thereof for the time being in force) read with Rules made thereunder, the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the Members 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, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future and outstanding at any time shall not exceed a sum of ₹ 1,800 Crores (Rupees One Thousand Eight Hundred Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Act."

"**RESOLVED FURTHER THAT** in connection with the aforesaid, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

7. Ratification of remuneration of Cost Auditor

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 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any modification or re-enactment thereof for the time being in force) read with Rules made thereunder, the remuneration of ₹ 3,00,000 (Rupees 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 commencing from April 01, 2019 till March 31, 2020 or extended financial year as may be decided by the Board, payable to M/s. S. R. Bhargave & Co., Cost Accountants (Firm Registration No 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, matters 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**

Place: Mumbai
Date: May 24, 2019

**Rakesh Darji
Company Secretary
ACS: 13085**

Notice to Shareholders

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING"/"AGM") 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 days' 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 in the meeting.
- 5) Brief details of Mr. Naresh Chandra, (DIN 00027696) who retires by rotation and is seeking re-appointment, 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) and SS – 2 (Secretarial Standards on General Meetings).
- 6) Dividend on equity shares when declared at the Meeting, will be paid to the members on or before 30th day from date of declaration.
- 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. or with the Company.
- 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 431136 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.
- 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 with related parties and bodies, etc. in which directors are interested under Section 189 of the Companies Act, 2013; and
 - b) 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 attached here with & is also available on the Company's website <https://www.varrocgroupp.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) Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- 18) For more details on shareholders' matters, please refer to the section on General Shareholder Information, included in the Annual Report.
- 19) Voting through electronic means –

Notice to Shareholders

- (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 31st 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 02, 2019, 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 Monday, August 05, 2019 and ends at 5:00 p.m. (IST) on Thursday, August 08, 2019. 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
 - 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 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:
 - For Members holding shares in Demat Form and Physical Form
 - PAN* Enter your 10digit 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. e. g. 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.

Notice to Shareholders

- (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. 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.evoting@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 under help section or write an email to 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)
- 20) The members would be able to cast their votes at the Meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility then the members cannot exercise their voting rights at the Meeting. However, the members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - 21) Mrs. Uma Lodha, Practicing Company Secretary (Membership No. FCS 5363) has been appointed as the Scrutinizer to scrutinize the e-voting process and voting through ballot paper at the AGM in a fair and transparent manner.
 - 22) The Scrutinizer shall within 48 hours of the conclusion of the AGM, submit a consolidated Scrutinizer's report of the votes cast in favour or against, to the Chairman of the AGM ('Chairman') or to any Director or any person authorized by the Chairman for this purpose, who shall countersign the same.
 - 23) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.varrocgroup.com/> and on the website of CDSL and communicated to the Stock Exchanges.

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

Item No.4

To increase borrowing limits of the Company

The Members of the Company vide their resolution passed at the Extra-ordinary General Meeting held on November 2, 2013 had authorized the Board of Directors of the Company to borrow from time to time a sum not exceeding ₹ 1,500 Crore (Rupees One Thousand Five Hundred Crore) on such terms and conditions as it may deem fit under Section 180(1)(c) of the Companies Act, 2013.

Considering the business plans and the growing fund requirements of the Company, it is proposed to increase the existing borrowing limit of the Company from ₹ 1,500 Crores (Rupees One Thousand Five Crores) to ₹ 2,000 Crore (Rupees Two Thousand Crore).

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, a company shall not borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business, unless prior approval of the Members is obtained by way of a Special Resolution.

The Board accordingly recommends for approval of revised Borrowing limit of ₹ 2,000 Crore (Rupees Two Thousand Crore) outstanding at any point of time under 180(1)(c) of the Companies Act, 2013 as set forth in Item No.4 for approval of the Members by way of special resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Item No. 5

Creation of Mortgage/Charge on the assets of the Company

The Members of the Company vide their resolution passed at the Extra-ordinary General Meeting held on August 30, 2014 had authorized the Board of Directors of the Company to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders from time to time, for an amount not exceeding ₹ 1,000 Crores (Rupees One Thousand Crores) on such terms and conditions as it may deem fit under Section 180(1)(a) of the Companies Act, 2013 ("the Act").

Notice to Shareholders

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Act), for the purposes of securing the loan/credit facilities extended by them to the Company or its subsidiary or associate companies. As per the resolution proposed at Item No.4 the Company intends to increase its borrowing limits and in line with the same it is necessary to increase the amount upto which the Company can create charge on its assets.

As per the provisions of Section 180(1)(a) of the Act, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless prior approval of the Members is obtained by way of a Special Resolution.

Accordingly, the Board recommends the Special Resolution for approval of limit of ₹ 2,000 Crore (exclusive of interest and other charges) for creation of Mortgage/Charge on the assets of the Company, to be consented by the shareholders to be passed at this Annual General Meeting of the Company or upto such higher amount/s as may be so consented by the members of the Company from time to time, in future pursuant to Section 180(1)(c) of the Act, as set forth in Item No.5 for approval of the Members by way of special resolution.

None of the Promoter, Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Item No. 6

Increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate

The Members of the Company vide their special resolution passed at the Annual General Meeting held on November 1, 2016 had authorized the Board of Directors of the Company for making investments/ extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate from time to time for an amount not exceeding ₹ 1,200 Crores (Rupees One Thousand Two Hundred Crores) on such terms and conditions as it may deem fit under Section 186 of the Companies Act, 2013 ("the Act").

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiaries) from time to time, in compliance with the applicable provisions of the Act.

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company shall, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, unless prior approval of the Members is obtained by way of a Special Resolution.

As per the latest audited Balance Sheet of the Company as on March 31, 2019, 60% of the paid-up share capital, free reserves and securities premium account amounts to ₹ 665.17 Crore while 100% of its free reserves and securities premium account amounts to ₹ 1,095.10 Crore. Therefore, the maximum limit available to the Company under Section 186(2) of the Act for making investments or giving loans or providing guarantees / securities in connection with a loan, as the case may be, is ₹ 1,095.10 Crore. It is now proposed to increase the said limit to ₹ 1,800 Crore.

During the previous year, the Global Lighting Business carried through subsidiaries of the Company ("VLS") expanded its production capacity through various investments, joint ventures and acquisitions. To capitalize on emerging market growth and increase the global presence Turkey-based interior and exterior lighting manufacturer viz. Sa-Ba, Turkey was acquired in June 2018. VLS has completed green-field expansion by completing the construction of Phase I of the Morocco Plant and setting up new Plant at Brazil. Both these facilities have started commercial production during the last year. VLS has also completed and started operations at new R&D Centre set-up at Krakow, Poland. VLS is in the process of setting up a new manufacturing plant in Poland, to serve key customers in European markets, in Romania (through JV) for manufacturing of electronics components and sub-assemblies(modules) and in Chennai, to serve some of the key global OEMs. To fund these activities and to meet additional working capital for expanded business, the Company will be required to infuse the funds in the form of additional investment, loan or providing corporate guarantee for the funds raised by subsidiary companies.

To undertake such activities, the Board recommends the Special Resolution set forth in Item No.6 of the Notice for approval of the Members, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act.

None of the Promoter, Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Item No. 7

Ratification of remuneration payable to Cost Auditors

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of M/s. 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 2019 - 20 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 Promoter, Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Notice to Shareholders

ANNEXURE TO NOTICE

Mr. Naresh Chandra, Non-Executive Chairman of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.

Additional details of Mr. Naresh Chandra who is seeking re-appointment at the 31st Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings)] are as follows:

Age	84
Qualification	Bachelor's degree in Economics and a Master's degree in History from the University of Delhi and Diploma in Business Administration from the City of Birmingham College of Commerce, United Kingdom
Experience (including expertise in specific functional area) / Brief Resume)	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 detailed profile of Mr. Naresh Chandra is appearing separately in this Annual Report.
Terms and Conditions of Re-appointment	No change proposed for re-appointment.
Remuneration last drawn (including sitting fees, if any)	₹ 7,10,000/- Break-up of Remuneration is appearing separately in this Annual Report
Remuneration proposed to be paid	No change proposed in remuneration for FY 2019-20.
Date of first appointment on the Board	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 held on March 31, 1997.
Shareholding in the Company as on May 24, 2019	1,00,00,000 equity shares of ₹ 1/- each held in his capacity as a family trustee of Naresh Chandra Holdings Trust
Relationship with other Directors / Key Managerial Personnel	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. 3.
Number of meetings of the Board attended during the financial year	Attended 7 out of 8 Board Meeting held during FY 2018-19
Directorships of other Boards as on May 24, 2019	1.Endurance Technologies Limited, 2.Varroc Polymers Private Limited and 3.Durovalves India Private Limited.
Membership / Chairmanship of Committees of other Boards as on May 24, 2019	Endurance Technologies Limited – Finance Committee - Chairman

The Company has achieved incredible growth under his guidance and direction 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 Ordinary resolution set forth at Item No.3 of the Notice for approval of the Members.

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

Place: Mumbai
Date: May 24, 2019

Rakesh Darji
Company Secretary
ACS: 13085

VARROC ENGINEERING LIMITED

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

ADMISSION SLIP

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

I hereby record my presence at the Annual General Meeting of VARROC ENGINEERING LIMITED held on Friday, August 9, 2019 at 10:00 am at the Auditorium Hall, 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 Annual General Meeting of **VARROC ENGINEERING LIMITED** to be held on Friday, August 9, 2019 at 10:00 am at the Auditorium Hall, L-4, MIDC Industrial Area, Waluj, Aurangabad-431136 and at any adjournment thereof.

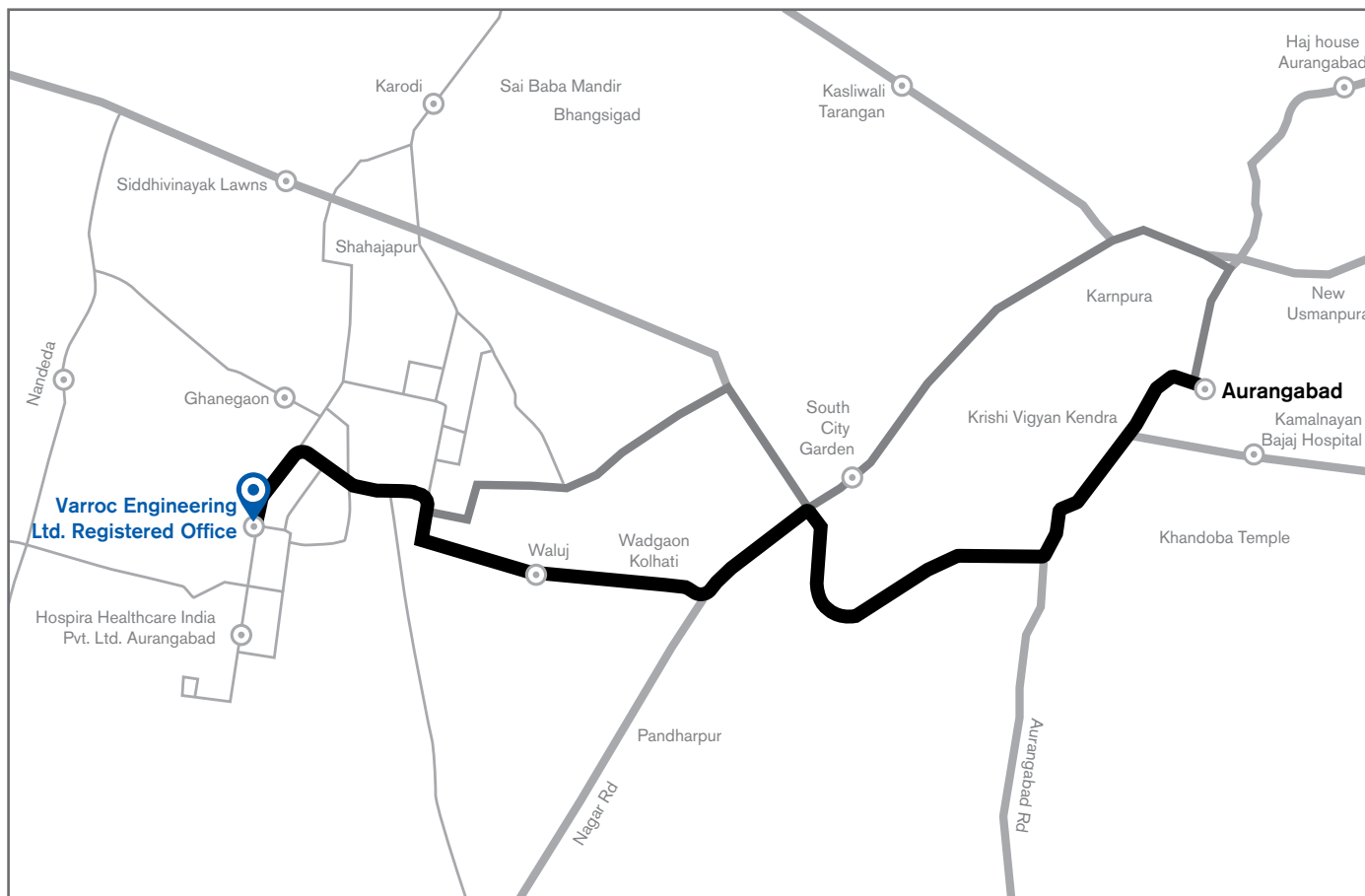
Signed this.....day of.....2019.

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

Signature
Affix Revenue
Stamp

***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 transportation facility for reaching the venue of Annual General Meeting from Aurangabad city. The transportation 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)

Start Time : 8.30 A. M.