



VASCON

Vascon Engineers Limited

Registered and Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune - Nagar Road, Pune-411014.

Tel No.: +91 20 3056 2200, **Fax No.:** +91 20 30562600.

Contact Person: Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer

E-mail: compliance.officer@vascon.com, **Website:** www.vascon.com.

Corporate Identity Number: L70100PN1986PLC175750

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of Members of Vascon Engineers Limited will be held at MonarcQ Hall, Royal Orchid Hotels, Opposite Cerebrum IT Park, Kalyaninagar, Pune – 411 014, on Monday, 23rd day of September, 2019 at 1100 hours to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a) the Audited Financial Statement of the Company for the Financial Year ended March 31, 2019, together with the reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019 together with reports of Auditors thereon.
2. To appoint a Director in place of Mr. Vasudevan Ramamoorthy (DIN: 00013519), who retires by rotation and being eligible offers himself for re-appointment.

3. TO APPOINT STATUTORY AUDITORS OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as **an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 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), M/s Sharp & Tannan Associates, Chartered Accountants (Registration No. 109983W), 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 39th Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR. V. MOHAN (DIN:00071517) AS NON-EXECUTIVE INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Articles of Association of the Company, Mr. V. Mohan (DIN: 00071517), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time in respect of whom Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years from this Annual General Meeting and whose office shall not be liable to retire by rotation”.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto

5. RE-APPOINTMENT OF MR. K. G. KRISHNAMURTHY (DIN: 00012579) AS NON-EXECUTIVE INDEPENDENT DIRECTOR

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Articles of Association of the Company, Mr. K. G. Krishnamurthy (DIN: 00012579), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time in respect of whom Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years from this Annual General Meeting and whose office shall not be liable to retire by rotation”.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto

6. APPROVAL FOR PAYMENT OF REMUNERATION TO MR. SIDDHARTH VASUDEVAN MOORTHY AS MANAGING DIRECTOR OF THE COMPANY

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

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, approval of the board of directors and subject to the provisions of sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Articles of Association of the Company, approval of the members be and is hereby accorded for payment of remuneration to Mr. Siddharth Vasudevan Moorthy as the Managing Director of the Company w.e.f. 1st April 2018 for a period of five years, by way of salary, perquisites and amenities as given below:

- A. Basic Salary: Rs. 15,00,000/- per month in the slab of Rs. 15, 00,000/- to Rs. 25,00,000/-
- B. LTA: One Month's Basic Salary
- C. Rent Free Furnished Accommodation or housing allowance at the rate of 50% of the Basic Salary per month.
- D. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
- E. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
- F. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.
- G. Contribution to Provident Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company

FURTHER RESOLVED THAT in addition to the aforesaid salary, the said Managing Director be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company, including the above remuneration, with liberty to pay such net profits of the Company, in one or more instalments entirely at the discretion of the Board.

FURTHER RESOLVED THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Siddharth Vasudevan Moorthy, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration for a period not exceeding three years.

FURTHER RESOLVED THAT pursuant to Regulation 17(6)(e)(ii) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, approval of the members be and is hereby for payment of aggregate annual remuneration to Mr. Siddharth Vasudevan Moorthy along with other executive promoter Directors exceeding 5% of net profits of the Company.

FURTHER RESOLVED THAT the terms and conditions with respect to remuneration of the Managing Director may be altered and varied from time to time within aforesaid limit by the Board, in its discretion and as it deems fit.

FURTHER RESOLVED THAT Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer and/or Mr. D. Santhanam, Chief Financial Officer and/or Mr. Santosh Sundararajan, Chief Executive Officer and/or any one Director of the Company be and is hereby authorized to do all necessary things including filing requisite forms with Registrar of Companies, Pune.”

7. APPROVAL FOR PAYMENT OF REMUNERATION TO MR. VASUDEVAN RAMAMOORTHY AS WHOLE TIME DIRECTOR(EXECUTIVE CHAIRMAN) OF THE COMPANY

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, approval of the board of directors and subject to the provisions of sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Articles of Association of the Company, approval of the members be and is hereby accorded for payment of remuneration to Mr. Vasudevan Ramamoorthy as the Whole time Director of the Company designated as Executive Chairman w.e.f. 1st April 2018 for a period of five years, by way of salary, perquisites and amenities as given below:

- A. Basic Salary: Rs. NIL
- B. LTA: Ten Lakhs per year.
- C. Suitable Rent Free Furnished Accommodation
- D. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
- E. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
- F. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.

FURTHER RESOLVED THAT in addition to the aforesaid salary, the said Executive Chairman be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company, including the above remuneration, with liberty to pay such net profits of the Company, in one or more instalments entirely at the discretion of the Board.

FURTHER RESOLVED THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Vasudevan Ramamoorthy, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration for a period not exceeding three years.

FURTHER RESOLVED THAT pursuant to Regulation 17(6)(e)(ii) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, approval of the members be and is hereby for payment of aggregate annual remuneration to Mr. Vasudevan Ramamoorthy along with other executive promoter Directors exceeding 5% of net profits of the Company.

FURTHER RESOLVED THAT the terms and conditions with respect to remuneration of the Executive Chairman may be altered and varied from time to time within aforesaid limit by the Board, in its discretion and as it deems fit.

FURTHER RESOLVED THAT Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer and/or Mr. D. Santhanam, Chief Financial Officer and/or Mr. Santosh Sundararajan, Chief Executive Officer and/or any one Director of the Company be and is hereby authorized to do all necessary things including filing requisite forms with Registrar of Companies, Pune.

8. ACCEPTANCE OF UNSECURED FIXED DEPOSIT

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 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured fixed deposits from members of the Company, on such terms and conditions as the Board of Directors may think proper and beneficial for the Company, up to a limit not exceeding 10% of the aggregate paid-up share capital, free reserves and securities premium account of the Company, as prescribed under Rule 3(4)(a) of the Companies (Acceptance of Deposits) Rules, 2014.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to formulate the Scheme, to file necessary forms and to do compliances as required under the Companies Act, 2013, the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any.

9. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR FINANCIAL YEAR 2017-18, 2018-19 AND 2019-20

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration paid/payable to Ms.Varsha S. Limaye, Cost Accountant, (Firm Registration No. 12358), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18, 2018-19 and 2019-20 amounting to ` 2,50,000 (Rupees Two Lakh Fifty Thousand Only) per annum as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified by the members.”

10. TO CONVERT LOAN AVAILED FROM JM FINANCIALS CREDIT SOLUTIONS LTD INTO EQUITY SHARES UPON THE EVENT OF DEFAULT

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(3) and other applicable provisions of the Companies Act, 2013 including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company for signing the loan agreement, inter alia, containing the following clause of conversion:-

“If the Company defaults in repayment of principal amounts of the Loan of an amount of Rs. 35 crores granted by JM Financial Credit Solutions Ltd (“Loan”) or interest thereon or any combination thereof as per the repayment schedule, then, the Lender shall have the right but not the obligation to convert at their option the outstanding amount of loan into fully paid up equity shares of the Company, at par or as per the SEBI guidelines/ Applicable Law and in the manner specified in a notice in writing to be given by the Lender to the Company.”

RESOLVED FURTHER THAT the Board of Directors shall take necessary steps for issuing certified copy of the resolution and taking all steps as and when required for acting upon the resolution on occurrence of event of default for conversion of loan of Lender into paid up equity of the company.

Registered and Corporate Office

Vascon Weikfield Chambers
Behind Hotel Novotel, Opposite Hyatt Hotel,
Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

Place: Pune

Date: August 12, 2019

Notes:

1. The Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice, is annexed hereto.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of 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 member.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

By order of the board of Directors

Sd/-
Vibhuti Darshin Dani
Company Secretary and Compliance Officer

7. The annual report for the financial year 2018-19 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. www.vascon.com. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2018-19, free of cost, upon sending a request to the Company Secretary.

In case any member is desirous to receive communication from the Company in electronic form, they may register their email address with their depository participant or send their consent at compliance.officer@vascon.com along with their folio no. and valid email address for registration.

8. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are given as a separate attachment to this notice.
9. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.
10. Members are requested to kindly bring their copy of the Annual Report with them at the AGM, as no extra copy of Annual Report would be made available at the AGM. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance to the venue.
11. Members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar and Transfer Agent, M/s. Karvy Fintech Private Limited if the shares are held by them in physical form.
12. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 issued by the Securities and Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), NEFT, etc. for making cash payments like dividend etc. to the members.

Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details, to the Registrar and Transfer Agent, M/s. Karvy Fintech Private Limited.

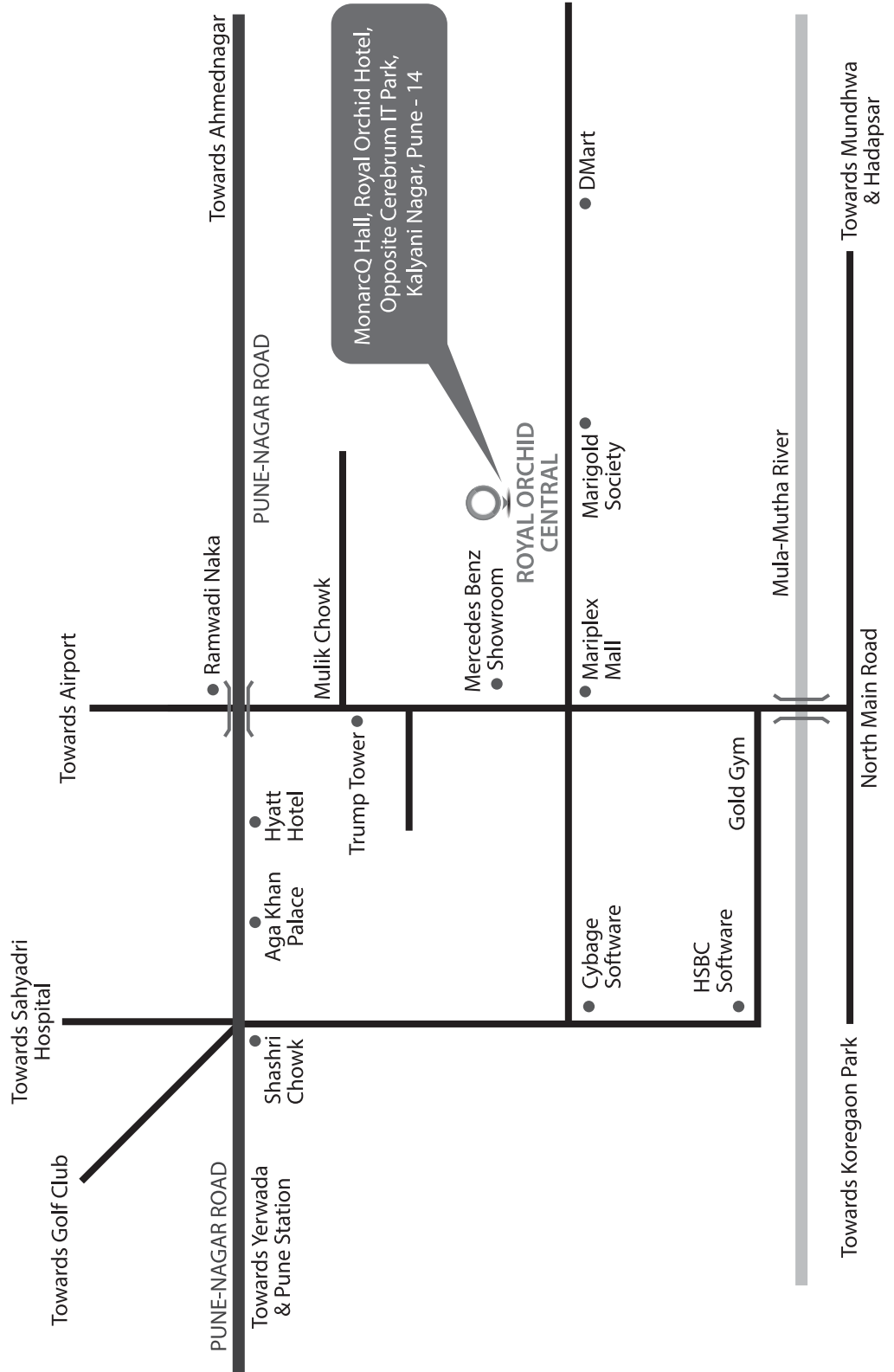
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent, M/s. Karvy Fintech Private Limited.
14. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the Registrar and Share Transfer Agent (RTA) of the Company. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19 (9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH- 14, to the RTA of the Company. These forms will be made available on request.
15. All documents referred to in the accompanying Notice and Statement pursuant Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 34th Annual General Meeting of the Company.

By Order of the Board

Place: Pune
Date: August 12, 2019

Vibhuti Darshin Dani
Company Secretary and Compliance Officer

MAP: AGM VENUE



ANNEXURE TO NOTICE OF AGM

ITEM NO. 2

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 26(4) and Regulation 36(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting

Particulars	R. Vasudevan	V. Mohan	K. G. Krishnamurthy
Designation	Promoter – Whole Time Director	Non Executive - Independent Director	Non Executive -Independent Director
DIN	00013519	00071517	00012579
Date of Birth	July 26, 1952 (67 years)	May 6, 1951 (68 years)	April 29, 1956 (63 Years)
Date of First Appointment	January 1, 1986	March 6, 2007	June 6, 2006
Qualifications	BE (Civil)	Chartered Accountant	Architect
Resume	Mr. R. Vasudevan holds a bachelor's degree in Civil Engineering from the University of Pune. He has also completed an 'Owner President' Management Program from the Harvard Business School. He is responsible for the overall management of our Company. He has over 35 years of experience in the Construction Company.	Mr. V. Mohan is a fellow member of the Institute of Chartered Accountants of India. He is a practising chartered accountant with more than 35 years of experience in the areas of audit and assurance services, company law, tax planning, tax representations and foreign exchange regulations. He is one of the partners with V Sankar Aiyar and Company, Chartered Accountants, where he is a partner..	Mr. K. G. Krishnamurthy is the Managing Director & CEO of HDFC Property Ventures Limited (HPVL). Prior to that, he was employed with HDFC as Senior General Manager -Technical Services. He has advised international and domestic real estate funds having an aggregate corpus of INR 71 billion. He has vast experience of over three decades in real estate and has been widely consulted by the industry on real estate matters. He has offered his services to the Asian Development Bank - to develop a housing package for Project Affected Persons under Karnataka Urban Infrastructure Project and to the USAID to build-up a mortgage market in Sri Lanka. Mr. Krishnamurthy is a graduate from IIT Kharagpur with a Management Degree from Jamnalal Bajaj Institute of Management, Mumbai.
Expertise in Specific Functional Areas	He is instrumental to introduce the JDA model of real estate development and this unique innovation in Real Estate industry has helped the company to grow to this size and stature. The EPC and Real Estate Business requires special skill set for timely execution of projects and monitoring on continuous basis. Mr. R. Vasudevan possesses these special skills due to which the Company has grown tremendously.	Audit and Assurance services, Company Law, Tax Planning, Tax Representations and Foreign Exchange Regulations	Vast experience of over three decades in real estate and has been widely consulted by the industry on real estate matters. He has offered his services to the Asian Development Bank - to develop a housing package for Project Affected Persons under Karnataka Urban Infrastructure Project and to the USAID to build-up a mortgage market in Sri Lanka.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1. Vascon EPC Limited 2. Vasumangal Constructions LLP	1. Talbros Automotive Components Limited	1. Ajmera Realty & Infra India Limited 2. Gruh Finance Limited 3. New Consolidated Construction Company Limited 4. HDFC Investments Ltd 5. HDFC Venture Capital Limited 6. Shriram Properties Ltd

VASCON ENGINEERS LIMITED

Memberships / Chairmanships of committees of other public companies	Vascon Engineers Ltd 1. Audit Committee: Member 2. Stakeholders Relationship Committee : Member 3. Corporate Social Responsibility Committee : Chairman 4. Debentures Allotment Committee : Member Any other Company: NIL	Vascon Engineers Limited 1. Audit Committee: Member 2. Nomination and Remuneration Committee: Member 3. Stakeholders Relationship Committee: Member 4. Corporate Social Responsibility: Member Talbro's Automotive Components Limited 1. Audit Committee: Chairperson 2. Stakeholders Relationship Committee: Member 3. Nomination and Remuneration Committee: Member	Vascon Engineers Limited 1. Audit Committee: Member 2. Nomination and Remuneration Committee: Chairman 3. Stakeholders Relationship Committee: Chairman Grub Finance Ltd: 1. Stakeholders Relationship Committee: Member HDFC Investment Ltd: 1. Audit Committee: Member 2. Corporate Social Responsibility: Member 3. Nomination and Remuneration Committee: Member New Consolidated Construction Company Ltd: 1. Audit Committee: Member 2. Remuneration Committee: Member Shriram Properties Limited: 1. Stakeholders Relationship Committee: Chairman 2. Nomination and Remuneration Committee: Member HDFC Venture Capital Limited: 1. Corporate Social Responsibility: Member
Number of shares held in the Company (as on August 12, 2019)	42428701	NIL	NIL
Remuneration	10.00 lakhs p.a.	Being a Non-Executive Independent Director he receives remuneration by way of sitting fees for attending meetings of the Board	Being a Non-Executive Independent Director he receives remuneration by way of sitting fees for attending meetings of the Board
Terms of Appointment / Reappointment	Appointed for a period of five years from 1.4.2018	He was first appointed as Director on March 06, 2007 and later he was appointed as Independent Director. He is proposed to be reappointed as Independent for further period of 5 years.	He was first appointed as Director on June 21, 2006 and later he was appointed as Independent Director. He is proposed to be reappointed as Independent for further period of 5 years.
Relationship with other Directors	He is the father of Mr.Siddharth Vasudevan Moorthy and Ms. Sowmya Vasudevan Moorthy	NIL	NIL

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 3 to 10 of the accompanying Notice dated August 12, 2019

Item no 3:

In accordance with the provisions of Companies Act, 2013 read with Rules, appointment of Statutory Auditor requires approval of members. Based on the recommendation of Audit Committee, the Board of Directors have proposed appointment of M/s Sharp & Tannan Associates, Chartered Accountants as Statutory Auditor for a period of 5 years in place of M/s Deloitte Haskins & Sells LLP pursuant to Section 139 of the Companies Act, 2013 and rules framed thereunder, which makes it mandatory for rotation of Statutory Auditors.

The appointment of M/s Sharp & Tannan Associates, Chartered Accountants shall be effective from the conclusion of 34th AGM for a period of 5 years.(i.e. conclusion of 39th Annual General Meeting)

The proposed fee payable to the Statutory Auditor : Forty Five lakhs plus applicable taxes. The revised fees is based on the fees structure of Incoming Auditor based on estimated time to be spent on Audit.

Considering the credentials and knowledge of the Auditor, Board finds their appointment suitable for the Company.

The brief profile of M/s Sharp & Tannan is as under:

M/s Sharp & Tannan Associates was constituted on 1st July, 1976 having firm registration no as FRN 109983W. The headquarters of the firm is at Mumbai. It has group offices at Pune, Baroda, Ahmedabad, Goa, Bangalore, Hyderabad, Chennai, New Delhi, and Kolkata.

The core area of practice is Statutory Audit, Internal Audit, Tax Audit, Enterprise Risk Advisory, Legal Compliance Management System, Transaction Advisory etc.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are in anyway, concerned or interested, financially or otherwise in the said resolution except to their holding in the Fixed Deposits of the Company.

The Board recommends the Resolution at Item No. 3 for approval by the Members.

Item No.4:

At the Annual General Meeting of the Company held on September 15, 2014, the members of the Company had appointed Mr. V. Mohan (DIN: 00071517) as Independent Director of the Company to hold office upto the conclusion of 34th Annual General Meeting of the Company.

Brief profile of Mr. V Mohan and information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of re-appointment of Mr. V Mohan is mentioned in Annexure which forms part of this notice.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation, has recommended re-appointment of Mr. V. Mohan as an Independent Director for a second term of 5 (five) years, on the Board of the Company.

The Board based on performance evaluation and as per the recommendation of Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. V. Mohan would be beneficial to the Company and it is desirable to continue his services as an Independent Director of the Company not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

The Company has received declaration from Mr. V Mohan to the effect that he meets the criteria of independence as provided under section 149(6) of Companies Act, 2013 read with rules framed thereunder and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. V Mohan is not debarred or disqualified from being appointed or continuing as Director of the Company by Securities Exchange Board of India (SEBI)/ Ministry of Corporate Affairs (MCA) or any other Statutory Authority.

In the opinion of the Board, Mr. Mohan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mr. Mohan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on any working excluding Saturday and Sunday. The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. V. Mohan as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. V. Mohan as an Independent Director, for the approval by the shareholders of the Company. Except Mr. V. Mohan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 4.

Item No.5:

At the Annual General Meeting of the Company held on September 15, 2014, the members of the Company had appointed Mr. K. G. Krishnamurthy (DIN: 00012579) as Independent Director of the Company to hold office upto the conclusion of 34th Annual General Meeting of the Company.

Brief profile of Mr. K. G. Krishnamurthy and information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of re-appointment of Mr. K. G. Krishnamurthy is mentioned in Annexure which forms part of this notice.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation, has recommended re-appointment of Mr. K. G. Krishnamurthy as an Independent Director for a second term of 5 (five) years, on the Board of the Company.

The Company has received declaration from Mr. K. G. Krishnamurthy to the effect that he meets the criteria of independence Director as provided under section 149(6) of Companies Act, 2013 read with rules framed there under and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. K. G. Krishnamurthy is not debarred or disqualified from being appointed or continuing as Director of the Company by Securities Exchange Board of India (SEBI)/ Ministry of Corporate Affairs (MCA) or any other Statutory Authority.

The Board based on performance evaluation and as per the recommendation of Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. K. G. Krishnamurthy would be beneficial to the Company and it is desirable to continue his services as an Independent Director of the Company not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

VASCON ENGINEERS LIMITED

In the opinion of the Board, Mr. K. G. Krishnamurthy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mr. K. G. Krishnamurthy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on any working excluding Saturday and Sunday. The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. K. G. Krishnamurthy as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. K. G. Krishnamurthy as an Independent Director, for the approval by the shareholders of the Company. Except Mr. K. G. Krishnamurthy, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 5.

Item No.6 and 7:

The shareholders appointed Mr. Siddharth Vasudevan Moorthy and Mr. Vasudevan Ramamoorthy as Managing Director and Executive Chairman respectively of the Company and approved their remuneration with effect from April 01, 2018 for a period of five years, at the 33rd Annual General Meeting held on 17 September 2018. There was inadequacy of profits during financial year 2018-19 in respect of the payment of remuneration to Mr. Siddharth Vasudevan Moorthy and Mr. Vasudevan Ramamoorthy as approved by the shareholders at the 33rd Annual General Meeting. The situation of inadequacy of profits/or loss cannot be ruled out in the subsequent financial years during the currency of tenure of Mr. Siddharth Vasudevan Moorthy and Mr. Vasudevan Ramamoorthy as Managing Director and Executive Chairman respectively of the Company. Hence the Board of the Company thought it fit for complying with the relevant provisions of Section II of Part II of Schedule V to the Companies Act 2013 for payment of remuneration to a managerial person whenever there is a loss or inadequate profit by passing a special resolution and making necessary disclosures.

As per regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, approval of the shareholders by special resolution in a general meeting would be required if the annual remuneration (fees or compensation) exceeded the limits prescribed under that regulation. Since the remuneration to be paid to Mr. Siddharth Vasudevan Moorthy and Mr. R Vasudevan (both executive directors who are promoters of the Company) is exceeding five per cent of the net profits of the Company, the Board of the Company thought it fit and appropriate to seek the approval of the shareholders by passing a special resolution.

Information as required under clause (iv) of the second proviso under item (B) of Section II of Part II of Schedule V to the Act:

I. General information:

- (1) Nature of industry: EPC and Real Estate Industry
- (2) Date or expected date of commencement of commercial production: working for more than 30 years
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
- (4) Financial performance based on given indicators: Excellent, The turnover and gross profit for 2018-19 was:
Turnover: 36,345.15 Lakhs and Gross Profit : 1419.06 Lakhs
- (5) Foreign investments or collaborations, if any.NA

II. Information about the appointee:

(1) Background details:

- a. **Mr. Siddharth Vasudevan Moorthy** (Age: 33 Years) is a Diploma holder from Pune University. He has completed his Graduation in Bachelor of Applied Science in Construction Management with Honors from Singapore Institute of Management and Royal Melbourne Institute of Technology. With his meticulous approach and enhanced experience of more than ten years in the areas of Project Execution, Quality, Technology, Process IT, Customer Relationship Management, Engineering Design and many other facets of the business, he has spearheaded the organizational growth. His steady work conviction & vision continues to drive the organization into a leadership position in the real estate and construction business. He has been conferred with Times of India – Real Estate Icons of Pune – Mr. Siddharth Vasudevan Moorthy and Femina Pune's Most powerful 2018-19 awards.

He was first appointed on the Board on 29th March, 2018.

He has attended 6 Meetings of the Company held during the Financial Year ended March 31, 2019. He holds 700294 shares as on March 31, 2019.

He is also a Director on the Board of

1. GMP Technical Solutions Private Limited.
2. Vascon EPC Ltd
3. Ecostruct Contractors Private Limited

He is also a Member in Audit, Nomination and Remuneration Committee of GMP Technical Solutions Private Limited.

- b. **Mr. Vasudevan Ramamoorthy:** Mr. R. Vasudevan (Age: 67 years) holds a bachelor's degree in Civil Engineering from the University of Pune. He has also completed an 'Owner President' Management Program from the Harvard Business School. He has been a Promoter Director on the Board of the Company since January 1, 1986. He is responsible for the overall management of our Company. He has over 35 years of experience in the Construction Company.

Mr. R Vasudevan has been instrumental in bringing the company from scratch to the position of eminence over the last 30 years. He has been our director since January 1, 1986. He is instrumental to introduce the JDA model of real estate development and this unique innovation in Real Estate industry has helped the company to grow to this size and stature. The EPC and Real Estate Business requires special skill set for timely execution of projects and monitoring on continuous basis. Mr. R. Vasudevan possesses these special skills due to which the Company has grown tremendously. The Nomination and Remuneration Committee has recommended appointment of Mr. R. Vasudevan as Executive Chairman of the Company on March 29, 2018 and the Board also has approved the same on March 29, 2018

He has been awarded several awards for his contribution in the field of construction and Real Estate Industry. He has been awarded the Top Management Consortium Award of Excellence for the year 2005, the "Construction World -Top Builder Award" in 2007, Award for Life Time Achievements by the Alumni Association of College of Engineering, Pune in 2005 and the South Indian Education Society on the occasion of its Platinum Jubilee (1932-2008) honoured and felicitated Mr. R. Vasudevan as a distinguished alumni. He has also been felicitated with Life Time Achievement Award of the Year at 9th Realty Plus Award Event. He was also conferred Real Estate Achiever Award of the Year Award from Realty Leaders Summit & Awards 2018.

He has attended 5 Meetings of the Company held during the Financial Year ended March 31, 2019. He holds 41897701 shares as on March 31, 2019.

He is also a Director on the Board of

1. Vascon EPC Ltd
2. Ascent Hotels Private Limited
3. Uday Gujar Foundation
4. Vasumangal Constructions LLP

He is also a Member in Audit, Stakeholders Relationship Committee, Corporate Social Responsibility Committee of Vascon Engineers Ltd.

He doesn't hold membership in any other committees of other Companies.

(2) Past remuneration:

- a. The remuneration of **Mr. Siddharth Vasudevan Moorthy** is as under:

- A. Basic Salary: Rs. 15,00,000/- per month in the slab of Rs. 15, 00,000/- to Rs. 25,00,000/-
- B. LTA: One Month's Basic Salary
- C. Rent Free Furnished Accommodation or housing allowance at the rate of 50% of the Basic Salary per month.
- D. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
- E. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
- F. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.
- G. Contribution to Provident Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company.

In addition to the aforesaid salary, the said Managing Director be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company.

- b. The remuneration of **Mr. Vasudevan Ramamoorthy** is as under:

- i. Basic Salary: NIL
- ii. LTA: Rs. 10,00,000 per year.
- iii. Suitable Rent Free Furnished Accommodation
- iv. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
- v. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax

vi. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.

In addition to the aforesaid salary, the said Executive Chairman be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company.

(3) Recognition or awards: The Company has won several prestigious awards in the field of Construction, Real Estate. Projects. The details of the same are covered in Directors Report.

(4) Job profile and his suitability:

a. **Mr. Siddharth Vasudevan Moorthy**, Managing Director of the Company has meticulous approach and enhanced experience of more than ten years in the areas of Project Execution, Quality, Technology, Process IT, Customer Relationship Management, Engineering Design and many other facets of the business, he has spearheaded the organizational growth. He is responsible for overall management of the Company.

b. **Mr. Vasudevan Ramamoorthy**, Whole Time Director of the Company with his enriched experience in construction industry has guided overall growth of the Company for more than 3 decades.

In the present complex and challenging business environment, there is a continuing need to formulate competitive strategies and review the business on ongoing basis. This necessitates his involvement for strategic directions.

(5) Remuneration proposed: There is no change in the terms of appointment and remuneration of the above mentioned Managerial Personnel as was approved by the Members at the 33rd AGM. The approval is sought as required under the Companies (Amendment) Act, 2017 applicable w.e.f. 12 September 2018.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): The executive remuneration in the Industry has increased manifold. The Nomination and Remuneration Committee of Directors of the Company constituted by the Board in terms of the Act and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of aforesaid Managerial Personnel and other relevant factors while determining their remuneration at the time of their appointments in 2018.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mr. Siddharth Vasudevan Moorthy is the promoter and Executive Director of the Company. Mr. Siddharth Vasudevan Moorthy is the son of Mr. Ramamoorthy Vasudevan and brother of Ms. Sowmya Vasudevan Moorthy. Apart from this, he is not related to any other Director and Key Managerial Personnel of the Company, as defined under the Act.

III. Other information:

(1) Reasons of loss or inadequate profits: Mr. Siddharth Vasudevan Moorthy and Mr. Vasudevan Ramamoorthy were given the remuneration within the prescribed limits but due to subdued market conditions coupled with rise in costs on account of various external factors, net profit of the Company witnessed decline resulting in the profits of the Company being inadequate for the payment of the remuneration payable to Mr. Siddharth Vasudevan Moorthy, Managing Director and Mr. Vasudevan Ramamoorthy, Executive Chairman as per their terms of appointment.

(2) Steps taken or proposed to be taken for improvement: Various steps has been taken by the Company for improving liquidity eg. number of EPC contracts, new projects launched under Real Estate Regulatory Authority.

(3) Expected increase in productivity and profits in measurable terms: The Company experts to grow more than in double digits in the next few years.

IV. Disclosures:

The following disclosures are also mentioned in the under the Corporate Governance Report attached to the financial statement:

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors:

(ii) Details of fixed component and performance linked incentives along with the performance criteria:

(iii) Service contracts, notice period, severance fees:

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Vasudevan Ramamoorthy, Mr. Siddharth Vasudevan Moorthy and Ms. Sowmya Vasudevan Moorthy are concerned or interested, financially or otherwise in the resolution set out in Item no. 6 & 7 of the Notice. Mr. Siddharth Vasudevan Moorthy is the Son of Mr. R. Vasudevan and brother of Ms. Sowmya Moorthy.

The Board commends the Special Resolution set out at Item No. 6 and 7 of the Notice for approval by the members.

Item No.8:

By virtue of Section 73 read with the Companies (Acceptance of Deposits) Rules, 2014, approval of members by way of ordinary resolution is a prerequisite to accept or renew unsecured fixed deposit by your Company and thus member's approval is sought for accepting unsecured deposit from members. Further the Companies Act, 2013 provides that the deposits raised in terms of provisions of the previous Act shall be repaid as per the term of respective deposit, which is being complied by your Company.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are in anyway, concerned or interested, financially or otherwise in the said resolution except to their holding in the Fixed Deposits of the Company.

The Board recommends the Resolution at Item No. 8 for approval by the Members.

Item No.9:

In accordance with the provisions of Section 148 of the Companies Act and the Company (Audit and Auditors) Rules, 2014 as amended from time to time, the Company is required to appoint a cost auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee, Board of Directors have approved appointment of Ms. Varsha Limaye, Cost Accountant as Cost auditor of the Company for the F.Y. 2017-18, F.Y. 2018-19 and F.Y. 2019-20 at a remuneration of Rs. 250,000/- (Rupees Two Lakhs Fifty Thousand Only) per annum plus applicable tax. In accordance with the provisions of Section 148 of the Companies Act read with the Company (Audit and Auditors), Rules, 2014, the remuneration of the cost auditor is required to be ratified by the members subsequently in accordance with the provisions of the Act and Rules. Accordingly ratification by the members is sought for the remuneration paid/payable to the Cost Auditor for the respective financial years.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are in anyway, concerned or interested, financially or otherwise in the said resolution.

The Board recommends the Resolution at Item No. 9 for approval by the Members.

Item No. 10:

In terms of provisions of section 180(1)(c) of the Companies Act, 2013 shareholders of the Company have accorded approval to the Board of Directors of the Company to borrow money upto Rs. 1000 Crores by passing a special resolution in the Annual General meeting of the Company held on September 29, 2015.

In line with regulatory changes in the recent past and pursuant to section 62(3) of the Companies Act, 2013 and other applicable provisions & rules framed thereunder, Company has been advised to pass special resolution to enable banks/Financial Institutions (hereinafter referred to as Lender's) to convert the outstanding principal and interest into Equity shares at the option of lenders upon such terms and conditions as may be deemed appropriate by Board and at a price determined in accordance with SEBI (Regulations) applicable at the time of conversion.

Accordingly, Board recommends the resolution to enable the lenders in terms of Lending Arrangements entered to convert outstanding amount of loan into Equity Shares

As per the Loan Agreement executed with Lenders, Lenders shall have right to convert outstanding amount of Loan into Equity shares in the event of default i.e. Event of Default in payment of Principal or Interest.

Section 62(3) of the Companies Act, 2013, requires to obtain the approval of shareholders by special resolution, for the conversion of the loan (including interest thereon) into equity shares of the company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financial or otherwise in the above resolution except to the extent of their respective share holding in the Company to the same extent as that of every other member of the Company.

The Board recommends the Resolution at Item No. 10 for approval by the Members.

Registered and Corporate Office

Vascon Weikfield Chambers,
Behind Hotel Novotel, Opposite Hyatt Hotel
Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

Place: Pune

Date: August 12, 2019.

By order of the board of Directors

Vibhuti Darshin Dani
Company Secretary and Compliance Officer