

NOTICE

Notice is hereby given that an Extra Ordinary General Meeting of the Members of **SMS Limited** will be held at its Registered Office at IT Park, 20 S.T.P.I. Gayatri Nagar, Parsodi, Nagpur-440022 [M.S.] on Monday, the 30th day of March, 2020 at 12.30 P.M. to transact the following:

SPECIAL BUSINESS:-

1. To ratify the remuneration to the Cost Auditor for the FY 2020-21:

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) thereof for the time being in force), the Company hereby ratifies the remuneration of ₹ 5,25,000/- (Rupees Five Lac Twenty Five Thousand only) per annum plus GST and out-of-pocket expenses as may be incurred by M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112), if any, during the course of their assignment who have been re-appointed as Cost Auditors by the Board of Directors to conduct the audit of the Cost accounting records maintained by the Company for the product(s)/services covered under MCA Cost Audit Order(s) for the financial year 2020-21.

RESOLVED FURTHER THAT the Managing Directors of the Company be and are hereby authorized to take all actions and do all such acts, deeds, matters and things as may be necessary or desirable in connection with or incidental to give effect to the above resolution."

2. Re-appointment of MR. Ramendra Gupta (DIN: 00306663), as a 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 other applicable provisions, if any of the Companies Act, 2013, read with the applicable Rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the applicable clause of the Articles of Association of the Company and on the ...2...

recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, MR. Ramendra Gupta (DIN: 00306663) who was appointed as Non Executive Independent Director of the Company at the Extra Ordinary General Meeting of the Company held on 30th April, 2015 and who holds office of Independent Director up to 30th March, 2020 and who is eligible for being re-appointed as Non Executive Independent Director and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby re-appointed by the Company as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from 31st March, 2020 to 30th March, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution.”

3. Re-appointment of MR. Ajay Kumar Lakhotia (DIN: 00634602), as a 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 other applicable provisions, if any of the Companies Act, 2013, read with the applicable Rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the applicable clause of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, MR.. Ajay Kumar Lakhotia (DIN: 00634602) who was appointed as Non- Executive Independent Director of the Company at the Extra Ordinary General Meeting of the Company held on 30th April, 2015 and who holds office of Independent Director up to 30th March, 2020 and who is eligible for being re-appointed as Non Executive Independent Director and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby re-appointed by the Company as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from 31st March, 2020 to 30th March, 2025.

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RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution.”

4. Appointment and Remuneration of MR. Paramveer Abhay Sancheti (DIN: 05326947), as Whole Time Director of the Company w.e.f. 1st March, 2020:

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

“**RESOLVED THAT** pursuant to provision of section 152, 160, 161 and other applicable provisions, if any, of the Companies Act 2013 read with the applicable Rules framed thereunder including Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, and as recommended by Nomination and remuneration Committee and the Board of Directors of the Company in their meeting held on 29th February, 2020 the consent of the members be and is hereby accorded to regularize the appointment of **MR. Paramveer Sancheti (DIN: 05326947)**, as Director of the Company liable to retire by rotation, who was earlier appointed as Additional Director with effect from **1st March, 2020** up to the date of ensuing Annual General Meeting.

“**RESOLVED FURTHER THAT** pursuant to the provisions of sections 2(78), 2(94), 196, 197 and 198 read with Schedule V and other applicable provisions, of the Companies Act, 2013 and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory Modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the approval of the members be and is hereby accorded to appoint **MR. Paramveer Abhay Sancheti, (DIN: 05326947)**, as Whole Time Director, designated as Executive Director of the company for a period of three years commencing from **1st March, 2020 to 28th February, 2023** on terms and conditions including remuneration detailed below and as set out in the statement annexed to the Notice, with authority to the Board of Directors to alter and vary the terms and conditions including remuneration of the said appointment in such manner as may be agreed to between the Board of Directors and MR. Paramveer Abhay Sancheti:

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The salary structure of MR. Paramveer Abhay Sancheti w.e.f. 01.03.2020 as follows:-

Sr.no	Particulars	Composition
i	Annual Gross Salary	₹ 1,5083700 /-
ii	Annual CTC (inclusive of Employers Provident Fund + Annual Bonus)	₹ 1,56,35,700/-
iii.	Perquisites	
	a) Leave Travel Allowance	NIL
	b) Club Fees	Fees (excluding initial joining fees) subject to a maximum of two clubs.
	c) Car/Telephone	Two chauffer driven Car and a land line telephone facility at residence along with two mobile connections in the name of appointee through Corporate plan will be provided to the appointee.
	d) Electricity & Water bill	Payment for electricity bill for one meter and water bill at appointee's residence
	e) Security Guard	The expenditure incurred in Security Guard at residence shall be borne by the Company.
iv	Other Conditions	For all other terms and conditions not specifically mentioned above, the Rules and Order of the Company shall apply.

I - Terms and Conditions:

1. **CONSOLIDATED SALARY INCLUDING ALLOWANCES -**
₹ 1,56,35,700/- per annum (CTC).

2. **SPECIFIC TERMS & CONDITIONS:**

1. Subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to you by the Board and shall exercise such powers as are delegated to you by the Board of Directors from time to time.

2. You shall be responsible for the operations of the company which, interalia, involve:

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- i. To Sign on behalf of the company forms, documents and papers, execute and file all applications, documents, returns, objections and other papers that may be required from or in relation to the business of the Company .
 - ii. Ensuring that the main objectives of the company are effectively implemented keeping in view the profitability and other corporate objectives.
 - iii. You will do all acts always in the best interest of the company.
 - iv. To make optimum utilization of funds of the company.
3. You shall throughout the said term devote your entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect conform to and comply with the directions and regulations made by the Board, and shall faithfully serve the company and use your utmost endeavors to promote the interests of the company.
 4. You shall not, during the period of your employment and without the previous consent in writing of the Board, engage or involve yourself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further, shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm, company or body corporate as aforesaid or any such competing undertaking or business as aforesaid.

Tenure: Three years commencing from 1st March, 2020 to 28th February, 2023.

Other terms and conditions of appointment not specifically spelt out above, rules and order of the company shall apply.

Maximum Remuneration: The Remuneration shall not exceed the limit specified in Part II Section II of Schedule V of the Companies Act, 2013 as the profits of the Company are inadequate, but where in any financial year the Company has adequate profits, such remuneration may be paid to the Whole Time Director which the Board as it may, in its discretion deem fit, within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter in such manner as may be agreed to between the Board and the Whole Time Director, subject to such approvals as may be required.

RESOLVED FURTHER THAT MR. Paramveer Abhay Sancheti, (DIN: 05326947) be paid one time joining bonus of ₹ 7,25,936/- (Rupees Seven Lac Twenty Five Thousand Nine Hundred Thirty Six only).

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RESOLVED FURTHER THAT the Board of Directors and of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/ doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company.”

5. **Appointment and Remuneration of MR. Nirbay Ajay Sancheti (DIN: 08338308), as Whole Time Director of the Company w.e.f. 1st March, 2020.**

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

“**RESOLVED THAT** pursuant to provision of section 152, 160, 161 and other applicable provisions, if any, of the Companies Act 2013 read with the applicable Rules framed thereunder including Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, and as recommended by Nomination and remuneration Committee and the Board of Directors of the Company in their meeting held on 29th February, 2020 the consent of the members be and is hereby accorded to regularize the appointment of **MR. Nirbhay Sancheti (DIN: 08338308)**, as Director of the Company liable to retire by rotation, who was earlier appointed as Additional Director with effect from **1st March, 2020** up to the date of ensuing Annual General Meeting.

RESOLVED FURTHER THAT pursuant to the provisions of sections 2(78), 2(94), 196, 197 and 198 read with Schedule V and other applicable provisions, of the Companies Act, 2013 and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory Modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the approval of the members be and is hereby accorded to appoint **MR. Nirbay Ajay Sancheti (DIN:08338308)**, as Whole Time Director, designated as Executive Director of the company for a period of three years commencing from **1st March, 2020 to 28th February, 2023** on terms and conditions including remuneration detailed below and as setout in the statement annexed to the Notice, with authority to the Board of Directors to alter and vary the terms and conditions including remuneration of the said appointment in such manner as may be agreed to between the Board of Directors and MR. Nirbay Ajay Sancheti:

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The salary structure of MR. Nirbay Ajay Sancheti w.e.f. 01.03.2020 as follows:-

Sr.no	Particulars	Composition
i	Annual Gross Salary	₹ 2,17,06,658/-
ii	Annual CTC (inclusive of Employers Provident Fund + Annual Bonus)	₹ 2,34,53,600/-
iii.	Perquisites	
	a) Leave Travel Allowance	NIL
	b) Club Fees	Fees (excluding initial joining fees) subject to a maximum of two clubs.
	c) Car/Telephone	Two chauffer driven Car and a land line telephone facility at residence along with two mobile connections in the name of appointee through Corporate plan will be provided to the appointee.
	d) Electricity & Water bill	Payment for electricity bill for one meter and water bill at appointee's residence
	e) Security Guard	The expenditure incurred in Security Guard at residence shall be borne by the Company.
iv	Other Conditions	For all other terms and conditions not specifically mentioned above, the Rules and Order of the Company shall apply.

I - Terms and Conditions:

1. CONSOLIDATED SALARY INCLUDING ALLOWANCES -

₹ 2,34,53,600/- (Rupees Two Crore Thirty Four Lac Fifty Three Thousand Six Hundred) Per Annum (CTC).

2. SPECIFIC TERMS & CONDITIONS:

- Subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to you by the Board and shall exercise such powers as are delegated to you by the Board of Directors from time to time.

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2. You shall be responsible for the operations of the company which, interalia, involve:
 - i. To Sign on behalf of the company forms, documents and papers, execute and file all applications, documents, returns, objections and other papers that may be required from or in relation to the business of the Company .
 - ii. Ensuring that the main objectives of the company are effectively implemented keeping in view the profitability and other corporate objectives.
 - iii. You will do all acts always in the best interest of the company.
 - iv. To make optimum utilization of funds of the company.
3. You shall throughout the said term devote your entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect conform to and comply with the directions and regulations made by the Board, and shall faithfully serve the company and use your utmost endeavors to promote the interests of the company.
4. You shall not, during the period of your employment and without the previous consent in writing of the Board, engage or involve yourself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further, shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm, company or body corporate as aforesaid or any such competing undertaking or business as aforesaid.

Tenure: Three years commencing from 1st March, 2020 to 28th February, 2023.

Other terms and conditions of appointment not specifically spelt out above, rules and order of the company shall apply.

Maximum Remuneration: The Remuneration shall not exceed the limit specified in Part II Section II of Schedule V of the Companies Act, 2013 as the profits of the Company are inadequate, but where in any financial year the Company has adequate profits, such remuneration may be paid to the Whole Time Director which the Board as it may, in its discretion deem fit, within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter in such manner as may be agreed to between the Board and the Whole Time Director, subject to such approvals as may be required.

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RESOLVED FURTHER THAT the Board of Directors and of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties / doubts arise from it , as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company.”

6. Appointment of MR. Akshay Abhay Sancheti (DIN: 07564977), to fill Casual Vacancy under section 161(4) as Whole Time Director of the Company w.e.f. 1st March, 2020 and his Remuneration:

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

“**RESOLVED THAT** pursuant to provision of section 152, 160, 161 and other applicable provisions, if any, of the Companies Act 2013 read with the applicable Rules framed thereunder including Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, and as recommended by Nomination and remuneration Committee and the Board of Directors of the Company in their meeting held on 29th February, 2020 the consent of the members be and is hereby accorded to regularize the appointment of **MR. Akshay Sancheti (DIN: 07564977)**, as Director of the Company liable to retire by rotation, who was earlier appointed as Additional Director with effect from **1st March, 2020** to fill up the casual vacancy caused due to demise of MR. Abhay Harakchand Sancheti vacating his office as a Director of the Company before the expiry of his term of office dated 30.10.2020 and who holds office up to the date of ensuing Annual General Meeting.

“**RESOLVED FURTHER THAT** pursuant to the provisions of sections 2(78), 2(94), 196, 197 and 198 read with Schedule V and other applicable provisions, of the Companies Act, 2013 and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory Modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the approval of the members be and is hereby accorded to appoint **MR. Akshay Abhay Sancheti (DIN: 07564977)**, as Whole Time Director, designated as Executive Director of the company for a period of eight months commencing from **1st March, 2020 to 30th October, 2020** i.e to fill up the casual vacancy caused due to demise of MR. Abhay Harakchand Sancheti vacating his office as a Director

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of the Company before the expiry of his term of office dated 30.10.2020, on the terms and conditions including remuneration detailed below and as set out in the statement annexed to the Notice, with authority to the Board of Directors to alter and vary the terms and conditions including remuneration of the said appointment in such manner as may be agreed to between the Board of Directors and MR. Akshay Abhay Sancheti.

The salary structure of MR. Akshay Abhay Sancheti w.e.f. 01.03.2020 as follows:-

Sr.no	Particulars	Revised composition
i	Annual Gross Salary	₹ 1,50,83,700 /-
ii	Annual CTC (inclusive of Employers Provident Fund + Annual Bonus)	₹ 1,56,35,700/-
iii.	Perquisites	
	a) Leave Travel Allowance	NIL
	b) Club Fees	Fees (excluding initial joining fees) subject to a maximum of two clubs.
	c) Car/Telephone	Two chauffer driven Car and a land line telephone facility at residence along with two mobile connections in the name of appointee through Corporate plan will be provided to the appointee.
	d) Electricity & Water bill	Payment for electricity bill for one meter and water bill at appointee's residence
	e) Security Guard	The expenditure incurred in Security Guard at residence shall be borne by the Company.
iv	Other Conditions	For all other terms and conditions not specifically mentioned above, the Rules and Order of the Company shall apply.

I - Terms and Conditions:

1. **CONSOLIDATED SALARY INCLUDING ALLOWANCES -**
₹ 1,56,35,700/- Per Annum (CTC).

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2. **SPECIFIC TERMS & CONDITIONS:**

1. Subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to you by the Board and shall exercise such powers as are delegated to you by the Board of Directors from time to time.
2. You shall be responsible for the operations of the company which, interalia, involve:
 - i. To Sign on behalf of the company forms, documents and papers, execute and file all applications, documents, returns, objections and other papers that may be required from or in relation to the business of the Company.
 - ii. Ensuring that the main objectives of the company are effectively implemented keeping in view the profitability and other corporate objectives.
 - iii. You will do all acts always in the best interest of the company.
 - iv. To make optimum utilization of funds of the company.
3. You shall throughout the said term devote your entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect conform to and comply with the directions and regulations made by the Board, and shall faithfully serve the company and use your utmost endeavors to promote the interests of the company.
4. You shall not, during the period of your employment and without the previous consent in writing of the Board, engage or involve yourself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further, shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm, company or body corporate as aforesaid or any such competing undertaking or business as aforesaid.

Tenure: Commencing from 1st March, 2020 to 30th October, 2020.

Other terms and conditions of appointment not specifically spelt out above, rules and order of the company shall apply.

Maximum Remuneration: The Remuneration shall not exceed the limit specified in Part II Section II of Schedule V of the Companies Act, 2013 as the profits of the Company are inadequate, but where in any financial year the ..12..

Company has adequate profits, such remuneration may be paid to the Whole Time Director which the Board as it may, in its discretion deem fit, within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter in such manner as may be agreed to between the Board and the Whole Time Director, subject to such approvals as may be required.

RESOLVED FURTHER THAT MR. Akshay Abhay Sancheti, (DIN: 07564977) be paid one time joining bonus of ₹ 7,25,936/- (Rupees Seven Lac Twenty Five Thousand Nine Hundred Thirty Six only).

RESOLVED FURTHER THAT the Board of Directors and of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/ doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company.”

**By Order of the Board
FOR SMS LIMITED**

Sd/-

**PLACE: NAGPUR
DATE: 29.02.2020**

**ANAND SANCHETI
MANAGING DIRECTOR**

DIN: 00953362

Add: 10, Hindustan Colony,
Amaravati Road, Bharat Nagar
Nagpur- 440033 [M.S.]

NOTES:

- 1) Members entitled to attend and vote at the meeting are entitled to appoint one or more proxies to attend and vote instead of themselves and the proxy need not be a member of the company.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent (10%) of the total share capital of the company carrying voting rights provided that a member holding more than ten per cent (10%) of the total share capital of the company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

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The instrument appointing the proxy in order to be effective should be deposited, duly completed and signed, at the registered office of the company not less than forty-eight (48) hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

- 2) Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
- 3) Explanatory statement pursuant to section 102 of The Companies Act, 2013, in respect of the business under item Nos. 1, 2, 3, 4, 5 and 6 above, are annexed hereto.
- 4) Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their DPs with whom they are maintaining their demat accounts.
- 5) Members holding shares in electronic mode are advised to contact their respective DPs for availing the nomination facility.
- 6) Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.
- 7) Pursuant to Section 101 of the Companies Act, 2013 consent of members to hold the Extra-Ordinary General (EGM) meeting at shorter period notice is obtained by the company.
- 8) A route map giving directions to reach the venue of Extra-Ordinary General meeting is given at the end of the EGM Notice.

Explanatory Statement annexed to the notice pursuant to section 102 of the Companies Act, 2013:

As required under Section 102 of the Companies Act, 2013 (hereinafter referred to as 'the Act') the following Explanatory Statement sets out all material facts relating to the Special Business set out from Item No. 1, 2,3,4, 5 and 6 of the accompanying Notice dated 29.02.2020.

Item No.1

In accordance with the provisions of Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its Cost Records audited from a qualified Cost Accountant. The Board of Directors at its meeting held on 29th February, 2020, on the recommendation of the Audit Committee, approved the re-appointment and remuneration of M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) as the Cost Auditors of the Company to conduct the audit of the Cost accounting records maintained by the Company for the product(s)/services covered under MCA Cost Audit Order(s) for the financial year 2020-21. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration of ₹ 5,25,000/- (Rupees Five Lac Twenty Five Thousand only) plus GST and out-of-pocket expenses as may be incurred by Cost Accountants, payable to M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) for the Financial year 2020-21 as set out in the resolution for the aforesaid services to be rendered by them.

The Board of Directors recommends the ordinary resolution at Item no. 1 of this Notice for the approval of the members of the Company.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or of the Key Managerial Personnel is, in anyway, concerned or interested financial or otherwise, in respect of passing of the Resolution set out at Item No. 1

Item No. 2:

Members are requested to note that MR. Ramendra Gupta (DIN: 00306663) was appointed as Non Executive Independent Director on the Board of the Company pursuant to the provisions of section 149 and other applicable provisions, if any, of the Act read with the applicable Rules framed thereunder including the Companies (Appointment and

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Qualifications of Directors) Rules, 2014 and the Schedule IV to the Act, by the share holders of the Company at Extra Ordinary General Meeting held on 30th April, 2015 for a period of five years from 31st March, 2015 and holds office upto 30th March, 2020 (“First term” in line with the explanation to section 149(10) and 149(11) of the Act). Further, in terms of section 149(10) of the Act, an independent director shall be eligible for re-appointment for a term of upto 5 (five) consecutive years on passing of a special resolution by the Company.

Members are requested to note that considering the contribution made by MR. Gupta during his association with the Company especially in his role as member of the Audit Committee, CSR committee and Nomination and Remuneration Committee his commitment towards his responsibility as an independent member of the Board of Directors which is also evident from the fact that he has maintained an excellent track-record of attendance at Board /Committee meetings, in the previous financial year, MR. Gupta attended all the meetings of the Board and Committees on which he was a member; and deep knowledge and expertise of various nuances of the Company’s business and the regulatory framework in which the Company operates and his extensive experience in the Mining industry, the Nomination & remuneration Committee (“NRC”) at its meeting held on 29th February, 2020 recommended to the Board re-appointment of MR. Ramendra Gupta as Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 31st March, 2020. Based on the above and the performance evaluation of the Non Executive Independent Directors including MR. Gupta, the Board of Directors was of the opinion that the continued association of MR. Gupta as Non-Executive Independent Director of the Company would be beneficial to and in the interest of the Company, and the Board of Directors at its meeting held on 29th February, 2020, considered and approved the re-appointment of MR. Ramendra Gupta as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from 31st March, 2020 to 30th March, 2025.

Members are requested to note that the Company has received consent in writing from MR. Gupta to act as Non-Executive Independent Director of the Company and declaration(s) and confirmation(s) stating that he meets the criteria of independence as specified in Section 149(6) of the Act and that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act.

Members are requested to note that in terms of Section 178 of the Act, terms of reference of Nomination and Remuneration Committee (NRC), the NRC at its meeting held on 29th February, 2020 assessed and confirmed the eligibility status for MR. Gupta for re-appointment as Non-Executive Independent Director, based on the information, declarations, disclosures and undertakings provided by him.

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Members are requested to note that in the opinion of the Board, MR. Gupta possesses appropriate skill, experience and knowledge relevant to the Company's business, fulfills the condition for appointment as Non-Executive Independent Director as specified in the Act read with rules made thereunder and is independent of the Management.

Members are requested to note that MR. Gupta shall be entitled to payment of sitting fees ₹ 1,00,000/- (Rupees One Lakh only) for attending meetings of the Board including its Committees thereof, subject to and in compliance with the provisions of the Act.

Members are requested to note that in terms of provisions of the Act, re-appointment of Non-Executive Independent Director is subject to the approval by the Members of the Company.

The Board recommends re-appointment of MR. Gupta as Non Executive Independent Director on the Board of the Company for a second term of 5 (five) consecutive years commencing from 31st March, 2020 to 30th March, 2025, set out in the resolution at Item No. 2 of the Extra Ordinary General Meeting Notice to the Members for their consideration and approval, by way of Special Resolution.

Except MR. Ramendra Gupta, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially otherwise, in the Special Resolution set out at Item No. 2 of the Extra Ordinary General Meeting Notice.

The Board recommends the Special Resolution set out at Item No.2 of the Notice for approval by the members.

Item No 3

Members are requested to note that MR. Ajay Kumar Lakhota (DIN: 00634602) was appointed as Non Executive Independent Director on the Board of the Company pursuant to the provisions of section 149 and other applicable provisions, if any, of the Act read with the applicable Rules framed thereunder including the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Schedule IV to the Act, by the share holders of the Company at Extra Ordinary General Meeting held on 30th April, 2015 for a period of five years from 31st March, 2015 and holds office upto 30th March, 2020 ("First term" in line with the explanation to section 149(10) and 149(11) of the Act). Further, in terms of section 149(10) of the Act, an independent director shall be eligible for re-appointment for a term of upto 5 (five) consecutive years on passing of a special resolution by the Company.

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Members are requested to note that considering the contribution made by MR. Lakhotia during his association with the Company especially in his role as member of the Audit Committee, CSR committee, Share Transfer Committee and Nomination and Remuneration Committee his commitment towards his responsibility as an independent member of the Board of Directors which is also evident from the fact that he has maintained an excellent track-record of attendance at Board/Committee meetings, in the previous financial year, MR. Lakhotia attended all the meetings of the Board and Committees on which he was a member; and deep knowledge and expertise of various nuances of the Company's business and the regulatory framework in which the Company operates and his extensive experience in the financial service industry, the Nomination and remuneration Committee ("NRC") at its meeting held on 29th February, 2020 recommended to the Board re-appointment of MR. Ajay Kumar Lakhotia as Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 31st March, 2020. Based on the above and the performance evaluation of the Non Executive Independent Directors including MR. Lakhotia, the Board of Directors was of the opinion that the continued association of MR. Lakhotia as Non-Executive Independent Director of the Company would be beneficial to and in the interest of the Company, and the Board of Directors at its meeting held on 29th February, 2020, considered and approved the re-appointment of MR. Ajay Kumar Lakhotia as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from 31st March, 2020 to 30th March, 2025.

Members are requested to note that the Company has received consent in writing from MR. Lakhotia to act as Non-Executive Independent Director of the Company and declaration(s) and confirmation(s) stating that he meets the criteria of independence as specified in Section 149(6) of the Act and that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act.

Members are requested to note that in terms of Section 178 of the Act, terms of reference of Nomination and Remuneration Committee (NRC), the NRC at its meeting held on 29th February, 2020 assessed and confirmed the eligibility status for MR. Lakhotia for re-appointment as Non-Executive Independent Director, based on the information, declarations, disclosures and undertakings provided by him.

Members are requested to note that in the opinion of the Board, MR. Lakhotia possesses appropriate skill, experience and knowledge relevant to the Company's business, fulfills the condition for appointment as Non-Executive Independent Director as specified in the Act read with rules made thereunder and is independent of the Management.

Members are requested to note that MR. Lakhota shall be entitled to payment of sitting fees ₹ 1,00,000/- (Rupees One Lakh only) for attending meetings of the Board including its Committees thereof, subject to and in compliance with the provisions of the Act.

Members are requested to note that in terms of provisions of the Act, re-appointment of Non-Executive Independent Director is subject to the approval by the Members of the Company.

The Board recommends re-appointment of MR. Lakhota as Non Executive Independent Director on the Board of the Company for a second term of 5 (five) consecutive years commencing from 31st March, 2020 to 30th March, 2025, set out in the resolution at Item No. 3 of the Extra Ordinary General Meeting Notice to the Members for their consideration and approval, by way of Special Resolution.

Except MR. Ajay Kumar Lakhota, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially otherwise, in the Special Resolution set out at Item No. 3 of the Extra Ordinary General Meeting Notice.

The Board recommends the Special Resolution set out at Item No.3 of the Notice for approval by the members.

Item No 4

Members are requested to note that the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee (“NRC”), at their meeting held on 29th February, 2020 approved appointment of MR. Parmveer Sancheti (DIN: 05326947) as an Additional Director of the Company in terms of Section 161(1) of the Act, to hold office upto the date of the ensuing Annual General Meeting of the Company but is eligible for appointment as a Director.

Members are further requested to note that the Company pursuant to proviso to section 160 of the Act, on recommendation of the Nomination and Remuneration Committee (“NRC”) and the Board of Directors of the Company, for the candidature of MR. Paramveer Abhay Sancheti as Director of the Company.

MR. Paramveer Sancheti has been associated with the Company since 2012, he join as management trainee and currently associated as project coordinator w.e.f. 20th March, 2015 and has also served as a Whole-Time Director of the Company from 1st July, 2016 till 21st September, 2016. He was actively involved in various projects as awarded to him from time to time and is also appointed as Director in other Group Companies.

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Members are further requested to note that considering growth of the Company's business and to strengthen the Board an addition to other executive Directors and upon recommendation of the NRC, the Board of Directors at its meeting held on 29th February, 2020, appointed MR. Paramveer as a Whole-Time Director of the Company for a period of 3 (Three) years with effect from 1st March, 2020, subject to the approval of the Members of the Company, on the terms and conditions of appointment and remuneration as detailed in the Appointment letter dated 29th February, 2020 issued by the Company to MR. Paramveer Sancheti, material terms of which are mentioned below:

Designation: MR. Paramveer Sancheti shall hold office of Whole-Time Director of the Company.

Term: MR. Paramveer Sancheti shall hold office of Whole-Time Director of the Company for a period of 3 (Three) years with effect from 1st March, 2020. MR. Paramveer Sancheti as Whole-Time Director, shall be liable to determination by retirement by rotation in terms of the Act and the Articles of Association of the Company.

Remuneration / Perquisites / Allowances: MR. Paramveer Sancheti shall be entitled to Annual CTC (inclusive of Employers Provident Fund + Annual Bonus) of ₹ 1,56,35,700/- p.a. MR. Paramveer Sancheti shall additionally be entitled for one time joining bonus of ₹ 7,25,936/- (Rupees Seven Lac Twenty Five Thousand Nine Hundred and Thirty Six only) -

Club Fees -Fees (excluding initial joining fees) subject to a maximum of two clubs.

Car/Telephone- Two chauffer driven Car and a land line telephone facility at residence along with two mobile connections in the name of appointee through Corporate plan will be provided to the appointee.

Electricity & Water bill -Payment for electricity bill for one meter and water bill at appointee's residence.

Security Guard-The expenditure incurred in Security Guard at residence shall be borne by the Company.

Members are requested to note that the Company has received consent in writing from MR. Paramveer Sancheti to act as a Whole time Director of the Company and declaration(s) and confirmation stating that he satisfies all the conditons of appointment as a whole time Director as set out in section 196(3) and Part-I of schedule V to the Act and

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that he is not disqualified from being appointed as a Director of the Company in terms section 164 and other provisions of the Act. Therefore, the Board of Directors on recommendation of Nomination remuneration committee vide its meeting held on 29th February, 2020 propose to place before the meeting, the resolution set out in Item No. 4 for approval by Members, pursuant to the provisions of section 2(78), 2(94), 196, 197 and 198 of the Companies Act, 2013 as “Special resolution”

As the Companies profit are inadequate, the payment of existing remuneration to Whole Time director shall be as required under Schedule V to the Companies Act, 2013. A Special Resolution has to be passed at a General Meeting of the Company for payment of such remuneration for a period not exceeding 3 years. The Board of Directors at its meeting held on 29th February, 2020 approved appointment and the payment of remuneration of ₹ 1,56,35,700/- P.A (CTC) including allowances and other perquisites with the terms and conditions of his appointment mentioned in the resolution.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder.

The payment of remuneration was approved by the resolution passed by the Board of Directors. However due to inadequacy of profit the Company requires to comply with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid exceeding the limits arrived at in accordance with the requirements of the said section II subject to the following.

- (i) Payment of remuneration is approved by a resolution passed by the Board of Directors.
- (ii) The Company has not committed any defaulted in payment of its dues and not required to obtain prior approval from any bank or public financial institution or any other secured creditor, before the date of appointment.

The Information as required under Section II, Part II of Schedule V of the Companies Act, 2013 is given below:

I. General Information				
(1) Nature of industry	SMS Limited has the distinction of being one of the largest Infrastructure Companies of Central India with its presence across the country. SMS has gone on to diversify into all the major sectors of infrastructure that contributes in nation building. SMS a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, Urban & Rural Development.			
(2) Date or expected date of commencement of commercial production	Commercial Operation Started on 8 th May, 1997.			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions.	NA			
(4) Financial performance based on given indicators	As per audited financial results for the year			
	(₹ in Lac)			
	Particulars	FY 16-17	FY 17-18	FY 18-19
	Paid up Capital	1026.14	1026.14	1026.14
	Reserves & Surplus	52,805.63	55,357.75	58,801.00
	Statement of Profit and Loss	4809.40	2810.64	3070.84
	Total Revenue	1,13,723.72	93,143.28	1,03,357.02
	Profit/(loss) before tax	6324.40	4263.31	4880.76
Managerial Remuneration	305.14	368.67	389.31	
(5) Export Performance and net foreign exchange collaborations	NA			
(6) Foreign investments or collaborators, if any.	NA			

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II. Information about the appointee :	
(1) Background details	MR. Paramveer Abhay Sancheti pursued Diploma in Business and Academic English (International Business Foundation), was appointed as a Management Trainee in the Company w.e.f 1 st April, 2012 and was re-designated as Project Coordinator w.e.f 20 th March, 2015. He was also appointed as a Whole Time Director on the Board of the Company from 1 st July 2016 till 21 st September, 2016 and subsequently, provided his services as a Project Coordinator. He was actively involved in various projects as delegated to him from time to time and also appointed as Director in other Group Companies.
(2) Past remuneration	₹ 88,84,500/- Annual CTC
(3) Recognition or awards	NA
(4) Job profile and his suitability	Name: Paramveer Abhay Sancheti DOB : 17/11/1987 Qualification : Diploma in Business and Academic English (International Business Foundation) From The University of Nottingham
(5) Remuneration proposed	₹ 1,56,35,700/- Annual CTC
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	As per industry Norms
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	MR. Akshay Sancheti, Whole Time Director [w.e.f 1 st March, 2020 subject to Approval of Shareholder.]
III. Other information :	
(1) Reasons of loss or inadequate profits	Due to external factors such as recession, general economic slowdown, high interest rates, etc. The Company has severe downfall in earning and have no adequate profits.
(2) Steps taken or proposed to be taken for improvement.	NA
(3) Expected increase in productivity and profits in measurable terms.	NA

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Details as required under Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India is given hereunder.

Age	32 years
Qualification	Diploma in Business and Academic English (International Business Foundation) From the University of Nottingham.
Experience	Management Trainee- 2 Years 11 Months Project Coordinator- 20 th March 2015 till date Whole Time Director -1 st July 2016 till 21 st September, 2016 Whole Time Director in WOS namely Ayodhya Gorakhpur SMS Tolls Private Limited w.e.f 1 st July, 2019 to 29 th February, 2020.
Terms and Conditions of Appointment	As per Appointment Letter
Remuneration (Proposed)	₹ 1,56,35,700/- including allowances per annum
Remuneration (Last Drawn)	₹ 88,84,500/- Annual CTC
Date of First Appointment on the Board	1 st July 2016
Shareholding in the Company	NIL
Relationship with other Director	MR. Akshay Sancheti (Brother)
Number of Board Meeting Attended during the Year	NONE
Manager / Other Directorship/ Chairmanship of Committees of the Board	San Commercials Pvt. Ltd. Veetrag Hospitality Pvt. Ltd. SMS Mine Developers Pvt. Ltd. Veet Rag Exploration & Minerals Pvt. Ltd. Valencia Constructions Pvt. Ltd. SMS Tolls And Developers Ltd. SMS Multi Objective Organisation SMS Waste Management Pvt. Ltd.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013. The Resolution at Item No. 4 is recommended for approval of the Members in the best interest of the Company.

Copy of draft letter of appointment of MR. Paramveer Sancheti setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

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Memorandum of Interest

None of the Director or Key Managerial Personnel of the Company and/or their relatives other than MR. Paramveer Abhay Sancheti and MR. Akshay Sancheti (Brother), in their personal capacity are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No.5

Members are requested to note that the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee (“NRC”), at their meeting held on 29th February, 2020 approved appointment of MR. Nirbhay Sancheti (DIN: 08338308), as an Additional Director of the Company in terms of Section 161(1) of the Act, to hold office upto the date of the ensuing Annual General Meeting of the Company but is eligible for appointment as a Director.

Members are further requested to note that the Company pursuant to proviso to section 160 of the Act, on recommendation of the Nomination and Remuneration Committee (“NRC”) and the Board of Directors of the Company, for the candidature of MR. Nirbhay Ajay Sancheti as Director of the Company.

MR. Nirbhay Sancheti has been associated with the Company since 2015, he join as a Management Trainee w.e.f 1st April, 2015 and currently associated as Project Coordinator w.e.f. 07th November, 2015. He was actively involved in various projects including Defense vertical and project of national importance awarded by BEL, on behalf of Air Force at Salua, West Bengal. He was also looking after the business development of defense vertical in different segments of projects in the field of defense along with his involvement with Mining Vertical.

Members are further requested to note that considering growth of the Company’s business and to strengthen the Board an addition to other executive Directors and upon recommendation of the NRC, the Board of Directors at its meeting held on 29th February, 2020, appointed MR. Nirbhay as a Whole-Time Director of the Company for a period of 3 (Three) years with effect from 1st March, 2020, subject to the approval of the Members of the Company, on the terms and conditions of appointment and remuneration as detailed in the Appointment letter dated 29th February, 2020 issued by the Company to MR. Nirbhay Sancheti, material terms of which are mentioned below.

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Designation: MR. Nirbhay Sancheti shall hold office of Whole-Time Director of the Company.

Term: MR. Nirbhay Sancheti shall hold office of Whole-Time Director of the Company for a period of 3 (Three) years with effect from 1st March, 2020. MR. Nirbhay Sancheti as Whole-Time Director, shall be liable to determination by retirement by rotation in terms of the Act and the Articles of Association of the Company.

Remuneration / Perquisites / Allowances: MR. Nirbhay Sancheti shall be entitled to Annual CTC (inclusive of Employers Provident Fund + Annual Bonus) of ₹ 2,34,53,600/- p.a.

Club Fees -Fees (excluding initial joining fees) subject to a maximum of two clubs.

Car/Telephone- Two chauffeur driven Car and a land line telephone facility at residence along with two mobile connections in the name of appointee through Corporate plan will be provided to the appointee.

Electricity & Water bill Payment for electricity bill for one meter and water bill at appointee's residence.

Security Guard-The expenditure incurred in Security Guard at residence shall be borne by the Company.

Members are requested to note that the Company has received consent in writing from MR. Nirbhay Ajay Sancheti to act as a Whole time Director of the Company and declaration(s) and confirmation stating that he satisfies all the conditions of appointment as a whole time Director as set out in section 196(3) and Part-I of schedule V to the Act and that he is not disqualified from being appointed as a Director of the Company in terms section 164 and other provisions of the Act. Therefore, the Board of Directors on recommendation of Nomination remuneration committee vide its meeting held on 29th February, 2020 propose to place before the meeting, the resolution set out in Item No. 5 for approval by Members, pursuant to the provisions of section 2(78), 2(94), 196, 197 and 198 of the Companies Act, 2013 as "Special resolution"

MR. Nirbhay Ajay Sancheti appointed as an Additional Director w.e.f 1st July, 2019, approved by the Board of Directors vide meeting dated, 8th July, 2019. Accordingly, it is proposed to appoint MR. Nirbhay Ajay Sancheti as Whole Time Director of the Company to hold the office for a term of 3 (Three) consecutive year's upto 30th June, 2022 and he

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shall be included in the total number of directors liable to retire by rotation. Further he is not disqualified under section 164 of the Companies Act, 2013 and has given consent to act as Whole Time Director.

Therefore, the Board of Directors propose to place before the meeting, the resolution set out in Item No. 5 for approval by Members, pursuant to the provisions of section 2(94), 2(78), 196, 197 and 198 of the Companies Act, 2013 as “Special resolution”

As the Company has no profits or the profits are inadequate, the payment of existing remuneration to Whole Time Director shall be as required under Schedule V to the Companies Act, 2013. A Special Resolution has to be passed at a General Meeting of the Company for payment of such remuneration for a period not exceeding 3 years. The Board of Directors at its meeting held on 8th July, 2019 approved appointment and the payment of remuneration of ₹ 2,34,53,600/- P.A including allowances and other perquisites with the terms and conditions of his appointment mentioned in the resolution.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder.

MR. Nirbhay Ajay Sancheti pursued M.Sc. in Programme and project Management and BBA, he was appointed as a Management Trainee in holding Company [SMS Limited] w.e.f 1st April, 2015 and thereafter he was re-designated has been working as a Project Coordinator since 07th November, 2015. He was actively involved in various projects including Defense vertical and project of national importance awarded by BEL, on behalf of Air Force at Salua, West Bengal. He was also looking after the business development of defense vertical in different segments of projects in the field of defense along with his involvement with Mining Vertical.

The payment of remuneration was approved by the resolution passed by the Board of Directors. However due to inadequacy of profit the Company requires to comply with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid exceeding the limits arrived at in accordance with the requirements of the said section II subject to the following.

- (i) Payment of remuneration is approved by a resolution passed by the Board of Directors.
- (ii) The Company has not committed any defaulted in payment of its dues and not required to obtain prior approval from any bank or public financial institution or any other secured creditor, before the date of appointment.

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The Information as required under Section II, Part II of Schedule V of the Companies Act, 2013 is given below:

I. General Information																																					
(1) Nature of industry	SMS Limited has the distinction of being one of the largest Infrastructure Companies of Central India with its presence across the country. SMS has gone on to diversify into all the major sectors of infrastructure that contributes in nation building. SMS a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, Urban & Rural Development.																																				
(2) Date or expected date of commencement of commercial production	Commercial Operation Started on 8 th May, 1997.																																				
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions	NA																																				
(4) Financial performance based on given indicators	<table border="1"> <thead> <tr> <th colspan="4">As per audited financial results for the year</th> </tr> <tr> <th colspan="4">(₹ in Lac)</th> </tr> <tr> <th>Particulars</th> <th>FY 16-17</th> <th>FY 17-18</th> <th>FY 18-19</th> </tr> </thead> <tbody> <tr> <td>Paid up Capital</td> <td>1026.14</td> <td>1026.14</td> <td>1026.14</td> </tr> <tr> <td>Reserves & Surplus</td> <td>52,805.63</td> <td>55,357.75</td> <td>58,801.00</td> </tr> <tr> <td>Statement of Profit and Loss</td> <td>4809.40</td> <td>2810.64</td> <td>3070.84</td> </tr> <tr> <td>Total Revenue</td> <td>1,13,723.72</td> <td>93,143.28</td> <td>1,03,357.02</td> </tr> <tr> <td>Profit/(loss) before tax</td> <td>6324.40</td> <td>4263.31</td> <td>4880.76</td> </tr> <tr> <td>Managerial Remuneration</td> <td>305.14</td> <td>368.67</td> <td>389.31</td> </tr> </tbody> </table>	As per audited financial results for the year				(₹ in Lac)				Particulars	FY 16-17	FY 17-18	FY 18-19	Paid up Capital	1026.14	1026.14	1026.14	Reserves & Surplus	52,805.63	55,357.75	58,801.00	Statement of Profit and Loss	4809.40	2810.64	3070.84	Total Revenue	1,13,723.72	93,143.28	1,03,357.02	Profit/(loss) before tax	6324.40	4263.31	4880.76	Managerial Remuneration	305.14	368.67	389.31
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Managerial Remuneration	305.14	368.67	389.31																																		
(5) Export performance and net foreign exchange collaborations	NA																																				
(6) Foreign investments or collaborators, if any.	NA																																				

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II. Information about the appointee:	
(1) Background details	MR. Nirbhay Ajay Sancheti pursued M.Sc. in Programme and project Management and BBA, was appointed as Management Trainee in the Company w.e.f 1 st April, 2015 and was re-designated as a Project Coordinator since 07 th November, 2015. He was actively involved in various projects including Defense vertical and project of national importance awarded by BEL, on behalf of Air Force at Salua, West Bengal. He was also looking after the business development of defense vertical in different segments of projects in the field of defense along with his involvement with Mining Vertical.
(2) Past remuneration	₹ 2,34,53,600/- Annual CTC
(3) Recognition or awards	NA
(4) Job profile and his suitability	Name: Nirbhay Ajay Sancheti DOB : 14.07.1990 Qualification : M.Sc. in Programme and project Management from The University of Warwick
(5) Remuneration proposed	₹ 2,34,53,600/- Annual CTC
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	As per industry Norms
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	NA
III. Other information:	
(1) Reasons of loss or inadequate profits	Due to external factors such as recession, general economic slowdown, high interest rates, etc. The Company has severe downfall in earning and have no adequate profits.
(2) Steps taken or proposed to be taken for improvement	NA
(3) Expected increase in productivity and profits in measurable terms.	NA

Details as required under Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India is given hereunder.

Age	29 years
Qualification	M.Sc (Programme and project Management) BBA (Bachelor of Business Administration)
Experience	Management Trainee- 7 Months 5 Days Project Coordinator- 07 th Nov 2015 till date Whole Time Director in WOS namely Ayodhya Gorakhpur SMS Tolls Private Limited w.e.f 1 st July, 2019 to 29th February, 2020.
Terms and Conditions of Appointment	As per Appointment Letter
Remuneration (Proposed)	₹ 2,34,53,600/- including allowances per annum
Remuneration (Last Drawn)	₹ 2,34,53,600/- Annual CTC
Date of First Appointment on the Board	NA
Shareholding in the Company	NIL
Relationship with other Director	NONE
Number of Board Meeting Attended during the Year	NONE
Manager / Other Directorship/ Chairmanship of Committees of the Board	NA

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013. The Resolution at Item No. 5 is recommended for approval of the Members in the best interest of the Company.

Copy of draft letter of appointment of MR. Nirbhay Sancheti setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Memorandum of Interest

None of the Director or Key Managerial Personnel of the Company and/or their relatives other than MR. Nirbhay Ajay Sancheti, in his personal capacity is concerned or interested, financially or otherwise, in this resolution.

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The Board recommends the Special resolution set out at Item No. 5 of the Notice for approval by the members.

Item No 6

Members are requested to note that the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee (“NRC”), at their meeting held on 29th February, 2020 approved appointment of MR. Akshay Sancheti (DIN: 07564977), as an Additional Director of the Company in terms of Section 161(1) and (4) of the Act to fill up the casual vacancy caused due to demise of MR. Abhay Harakchand Sancheti vacating his office as a Director of the Company before the expiry of his term of office dated 30.10.2020, to hold office upto the date of the ensuing Annual General Meeting of the Company but is eligible for appointment as a Director.

Members are further requested to note that the Company pursuant to proviso to section 160 of the Act, on recommendation of the Nomination and Remuneration Committee (“NRC”) and the Board of Directors of the Company, for the candidature of MR. Akshay Abhay Sancheti as Director of the Company.

MR. Akshay Sancheti has been associated with the Company since 2012, he join as a Management Trainee w.e.f 1st November, 2012 and currently associated as Project Coordinator w.e.f. 20th March, 2015. He was also appointed as an Alternate Director to MR. Abhay Sancheti, erstwhile Chairman and Director from 1st July 2016 till 22nd January, 2020. He was actively involved in various projects as awarded to him from time to time and also appointed as alternate director in other Group Companies.

Members are further requested to note that considering growth of the Company’s business and to strengthen the Board an addition to other executive Directors and upon recommendation of the NRC, the Board of Directors at its meeting held on 29th February, 2020, appointed MR. Akshay as a Whole-Time Director of the Company for a period of upto 31.10.2020 with effect from 1st March, 2020 to fill up the casual vacancy caused due to demise of MR. Abhay Harakchand Sancheti vacating his office as a Director of the Company before the expiry of his term of office dated 30.10.2020, subject to the approval of the Members of the Company, on the terms and conditions of appointment and remuneration as detailed in the Appointment letter dated 29th February, 2020 issued by the Company to MR. Akshay Sancheti, material terms of which are mentioned below.

Designation: MR. Akshay Sancheti shall hold office of Whole-Time Director of the Company.

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Term: MR. Akshay Sancheti shall hold office of Whole-Time Director of the Company for a period of 8 (Eight) Months with effect from 1st March, 2020 to fill up the casual vacancy caused

due to demise of MR. Abhay Harakchand Sancheti vacating his office as a Director of the Company before the expiry of his term of office dated 30.10.2020. MR. Akshay Sancheti as Whole-Time Director, shall be liable to determination by retirement by rotation in terms of the Act and the Articles of Association of the Company.

Remuneration / Perquisites / Allowances: MR. Akshay Sancheti shall be entitled to Annual CTC (inclusive of Employers Provident Fund + Annual Bonus) of ₹ 1,56,35,700/- p.a. MR. Akshay Sancheti shall additionally be entitled for one time joining bonus of ₹ 7,25,936/- (Rupees Seven Lac Twenty Five Thousand Nine Hundred and Thirty Six only) -

Club Fees -Fees (excluding initial joining fees) subject to a maximum of two clubs.

Car/Telephone- Two chauffeur driven Car and a land line telephone facility at residence along with two mobile connections in the name of appointee through Corporate plan will be provided to the appointee.

Electricity & Water bill -Payment for electricity bill for one meter and water bill at appointee's residence.

Security Guard-The expenditure incurred in Security Guard at residence shall be borne by the Company.

Members are requested to note that the Company has received consent in writing from MR. Akshay Sancheti to act as a Whole time Director of the Company and declaration(s) and confirmation stating that he satisfies all the conditions of appointment as a whole time Director as set out in section 196(3) and Part-I of schedule V to the Act and that he is not disqualified from being appointed as a Director of the Company in terms section 164 and other provisions of the Act. Therefore, the Board of Directors on recommendation of Nomination remuneration committee vide its meeting held on 29th February, 2020 propose to place before the meeting, the resolution set out in Item No. 6 for approval by Members, pursuant to the provisions of section 2(78), 2(94), 196, 197 and 198 of the Companies Act, 2013 as "Special resolution" As the Companies profit are inadequate, the payment of existing remuneration to Whole Time director shall be as required under Schedule V to the Companies Act, 2013. A Special Resolution has to be passed at a General Meeting of the Company for payment of such remuneration for a period not exceeding 3 years. The Board of Directors at its meeting held on 29th February, 2020 approved

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appointment and the payment of remuneration of ₹ 1,56,35,700/- P.A (CTC) including allowances and other perquisites with the terms and conditions of his appointment mentioned in the resolution.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder.

The payment of remuneration was approved by the resolution passed by the Board of Directors. However due to inadequacy of profit the Company requires to comply with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid exceeding the limits arrived at in accordance with the requirements of the said section II subject to the following.

- (i) Payment of remuneration is approved by a resolution passed by the Board of Directors.
- (ii) The Company has not committed any defaulted in payment of its dues and not required to obtain prior approval from any bank or public financial institution or any other secured creditor, before the date of appointment.

The Information as required under Section II, Part II of Schedule V of the Companies Act, 2013 is given below:

I. General Information	
(1) Nature of industry	SMS Limited has the distinction of being one of the largest Infrastructure Companies of Central India with its presence across the country. SMS has gone on to diversify into all the major sectors of infrastructure that contributes in nation building. SMS a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, Urban & Rural Development.
(2) Date or expected date of commencement of commercial production	Commercial Operation Started on 8 th May, 1997.
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions	NA

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(4) Financial performance based on given indicators	As per audited financial results for the year			
	(₹ in Lac)			
	Particulars	FY 16-17	FY 17-18	FY 18-19
	Paid up Capital	1026.14	1026.14	1026.14
	Reserves & Surplus	52,805.63	55,357.75	58,801.00
	Statement of Profit and Loss	4809.40	2810.64	3070.84
	Total Revenue	1,13,723.72	93,143.28	1,03,357.02
	Profit/(loss) before tax	6324.40	4263.31	4880.76
	Managerial Remuneration	305.14	368.67	389.31
(5) Export Performance and net foreign exchange collaborations	NA			
(6) Foreign investments or collaborators, if any.	NA			
II. Information about the appointee :				
(1) Background details	MR. Akshay Sancheti pursued Bachelor degree in Civil Engineering, he joined the company as a Management Trainee w.e.f 1 st November, 2012 and was re-designated as a Project Coordinator w.e.f 20 th March, 2015. He was also appointed as an Alternate Director to MR. Abhay Sancheti, erstwhile Chairman & Director from 1st July 2016 till 22 nd January, 2020. He was actively involved in various projects as awarded to him from time to time and also appointed as alternate director in other Group Companies.			
(2) Past remuneration	₹ 88,84,500/- Annual CTC			
(3) Recognition or awards	NA			
(4) Job profile and his suitability	Name: Akshay Abhay Sancheti DOB : 16/07/1990 Qualification : Bachelor of Engineering (Civil) from University of Pune			
(5) Remuneration proposed	₹ 1,56,35,700/- Annual CTC			
(6) Comparative remuneration profile with	As per industry Norms			

respect to industry, size of the company, profile of the position and person	
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	MR. Paramveer Sancheti, Whole Time Director [w.e.f 1 st March, 2020 subject to Approval of Shareholder.]
III. Other information :	
(1) Reasons of loss or inadequate profits	Due to external factors such as recession, general economic slowdown, high interest rates, etc. The Company has severe downfall in earning and have no adequate profits.
(2) Steps taken or proposed to be taken for improvement.	NA
(3) Expected increase in productivity and profits in measurable terms.	NA

Details as required under Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India is given hereunder.

Age	29 years
Qualification	Bachelor of Engineering (Civil) from University of Pune
Experience	Management Trainee- 2 Years 4 months Project Coordinator- 20 th March 2015 till date Alternate Director to MR. Abhay Sancheti, erstwhile Chairman and Whole Time Director of the Company -1 st July 2016 till 22 nd January, 2020 along with other group companies.
Terms and Conditions of Appointment	As per Appointment Letter
Remuneration (Proposed)	₹ 1,56,35,700/- including allowances per annum
Remuneration (Last Drawn)	₹ 88,84,500/- Annual CTC
Date of First Appointment on the Board	1 st July 2016
Shareholding in the Company	NIL
Relationship with other Director	MR. Paramveer Abhay Sancheti (Brother)
Number of Board Meeting Attended during the Year	NONE
Manager / Other Directorship/ Chairmanship of Committees of the Board	SMS Mine Developers Pvt. Ltd.

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The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013. The Resolution at Item No. 6 is recommended for approval of the Members in the best interest of the Company.

Copy of draft letter of appointment of MR. Akshay Sancheti setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Memorandum of Interest

None of the Director or Key Managerial Personnel of the Company and/or their relatives other than MR. Akshay Abhay Sancheti and MR. Paramveer Sancheti (Brother), in their personal capacity are concerned or interested, financially or otherwise, in this resolution.

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

By Order of the Board
FOR SMS LIMITED

Sd/-

PLACE: NAGPUR
DATE: 29.02.2020

ANAND SANCHETI
MANAGING DIRECTOR
DIN : 00953362

Add: 10, Hindustan Colony,
Amaravati Road, Bharat Nagar,
Nagpur- 440033 [M.S.]

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Route Map of EGM Venue

