

## 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 22<sup>nd</sup> day of June, 2020 at 12.30 P.M. to transact the following:

### **SPECIAL BUSINESS:-**

- 1. Approval of remuneration paid to Mr. Abhay Sancheti (DIN: 01654073), Whole Time Director in term of section 197 and schedule V of Companies Act, 2013 for the remaining tenure of his appointment.**

**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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013, the recommendations of Nomination and Remuneration Committee vide its 10<sup>th</sup> Meeting dated 21<sup>st</sup> day of March, 2018 and approval of the Board of Directors of the Company vide its 425<sup>th</sup> meeting dated 31<sup>st</sup> day of March, 2020, and in furtherance to approval of members via Ordinary Resolution passed at the 18<sup>th</sup> Annual General Meeting held on September 28, 2015 consent of the members of the Company be and is hereby accorded to confirm and approve minimum remuneration of ` 1,35,02,400/- (Annual CTC) paid to Mr. Abhay Sancheti, Chairman and Whole Time Director (DIN: 01654073) of the Company during the financial year 2019-20 as per the terms of his appointment and remuneration approved by the members by means of ordinary resolution at the 18<sup>th</sup> Annual General Meeting held on September 28, 2015 and further to the recommendations for revision in remuneration by the 10<sup>th</sup> Nomination and Remuneration Committee Meeting of the Board and approval of the Board of Directors of the Company vide its 416<sup>th</sup> meeting dated 21<sup>st</sup> day of March, 2018 which is within the over all limits approved by them, but which exceeds the limits specified under Section 197 read with Schedule V of the Act to the extent as aforesaid, due to inadequacy of profit in the said financial year i.e. till January 22, 2020 (Ceased to be Director due to demise on 22.01.2020).

**RESOLVED FURTHER THAT** Mr. Abhay Sancheti functioned as the Chairman and Whole Time Director of the Company, and have drawn the remuneration mentioned in the foregoing resolution, he was not be entitled to any fees for attending meeting of the Board of Directors or any Committee thereof.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt

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That may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**2. Approval of remuneration paid to Mr. Dilip Surana (DIN: 00953495), Whole Time Director in term of section 197 and schedule V of Companies Act, 2013 for the remaining tenure of his appointment.**

**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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013, the recommendations of the Nomination and Remuneration Committee vide its 11<sup>th</sup> Meeting dated 29<sup>th</sup> day of March, 2019 and approval of the Board of Directors of the Company vide its 425<sup>th</sup> meeting dated 31<sup>st</sup> day of March, 2020 and in furtherance to approval of members via Ordinary Resolution passed at the Extra Ordinary General Meeting held on April 29, 2017 consent of the members of the Company be and is hereby accorded to confirm and approve minimum remuneration of ` 1,50,44,000/- (Annual CTC) paid to Mr. Dilip Surana, Whole Time Director (DIN: 00953495) of the Company during the financial year 2019-20 and payment of said remuneration for remaining period of his tenure not exceeding three years as per the terms of appointment and remuneration approved by the members by means of ordinary resolution passed at the Extra Ordinary General Meeting held on April 29, 2017 and further to the recommendations for revision in remuneration by the 11<sup>th</sup> Nomination and Remuneration Committee Meeting held on 29<sup>th</sup> day of March, 2019 and approval of the Board of Directors of the Company vide its meeting dated 29<sup>th</sup> day of March, 2019 which is within the over all limits approved by them, but which exceeds the specified under Section 197 read with Schedule V of the Act to the extent as aforesaid, due to inadequacy of profit in the said financial year and for the remaining period of his tenure not exceeding not exceeding three years.

**RESOLVED FURTHER THAT** Mr. Dilip Surana, functions as the Whole Time Director of the Company, and draws the remuneration mentioned in the foregoing resolution, he will also be entitled to sitting fee of ` 100,000/- (Rupees One Lac only) for attending meetings of the Board of Directors and Executive Committee thereof.

**RESOLVED FURTHER THAT** in addition to all the terms and conditions of his appointment existing presently, Mr Dilip Surana shall also be entitled for Performance based commission/bonus for his achievement of performance target in Ayodhya Gorakhpur SMS Tolls Private Limited (Wholly Owned Subsidiary Company) functioning as Managing Director in said subsidiary and that the said performance based commission/bonus shall not exceed ` 2,00,00,000/- (Rupees Two Crore only) in any of

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the financial year commencing from 2019-20 which may be paid to him on monthly/quarterly/ six monthly/yearly basis provided, However that the overall managerial remuneration including performance based commission paid to him for financial year 2019-20 and onward shall be in accordance with Schedule V and any other applicable provisions of the Companies Act 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**3. Approval of remuneration paid to Mr. Anand Sancheti (DIN: 00953362), Managing Director in term of section 197 and schedule V of Companies Act, 2013 for the remaining tenure of his appointment:.**

**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 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013, the recommendations of the Nomination and Remuneration Committee vide its 11<sup>th</sup> Meeting held on 29<sup>th</sup> day of March, 2019 and approval of the Board of Directors of the Company vide its 425<sup>th</sup> meeting dated 31<sup>st</sup> day of March, 2020 and in furtherance to approval of members via Ordinary Resolution passed at Extra Ordinary General Meeting held on April 15, 2015, consent of the members of the Company be and is hereby accorded to confirm and approve the minimum remuneration of ` 2,34,53,600/- (Annual CTC) paid to Mr. Anand Sancheti, Managing Director (DIN: 00953362) of the Company during the financial year 2019-20 and payment of said remuneration for remaining period of his tenure i.e. till August 10, 2020 as per the terms of his appointment and remuneration approved by the members by means of ordinary resolution passed at the Extra Ordinary General Meeting held on April 15, 2015 and further to the recommendations for revision in remuneration by the 11<sup>th</sup> Nomination and Remuneration Committee Meeting held on 29<sup>th</sup> day of March, 2019 and approval of the Board of Directors of the Company vide its 420<sup>th</sup> meeting dated 29<sup>th</sup> day of March, 2019 which is within the over all limits approved by them, but which exceeds the limits specified under Section 197 read with Schedule V of the Act to the extent as aforesaid, due to inadequacy of profit in the said financial year and for the remaining period of his tenure i.e till August 10, 2020.

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**RESOLVED FURTHER THAT** Mr. Anand Sancheti functions as the Managing Director of the Company, and draws the remuneration mentioned in the foregoing resolution, he will also be entitled to sitting fee ` 100,000/- (Rupees One Lac only) for attending meetings of the Board of Directors and Executive Committee thereof.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**4. Re-Appointment and Remuneration of MR. Anand Sancheti (DIN: 00953362), as Managing Director of the Company w.e.f. 11<sup>th</sup> August, 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 the provisions of sections 2(54), 2(78), 196, 197 198 and 203 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 vide its 11<sup>th</sup> meeting February 29, 2020 and approval of the Board of Directors of the Company vide its 425<sup>th</sup> meeting dated March 31 2020, consent of the members of the Company be and is hereby accorded to re-appoint **MR. Anand Sancheti (DIN:00953362)**, as Managing Director and Whole-time Key Managerial Personnel of the company for a period of 5 (Five) years commencing from **11<sup>th</sup> August, 2020 to 10<sup>th</sup> August, 2025** on terms and conditions including remuneration the remuneration less than the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

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The salary structure of MR. Anand Sancheti as follows:-

Sr.no.	Particulars	Composition
i	Annual Gross Salary	₹ 2,04,05,000/-
ii	Annual CTC (inclusive of Employers Provident Fund + Annual Bonus)	₹ 2,34,53,600/-
iii.	Perquisites	₹ 6,00,000/- Annually (Being part of CTC)
	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:**

- Mr. Anand Sancheti, as Managing Director and Key Managerial Personnel, is entrusted and shall look after all activities related to Mining Division (Own as well as Jobwork projects), Electrical Division and all Finance & Administrative matters at the registered office of the Company and shall be responsible for compliance of Company Law matters and entrusted with substantial powers of management of the affairs of the company and shall devote his whole time and attention to the business of the Company and will be responsible for day to day management and operations of the Company

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and shall carry out such duties and exercise such powers as may be entrusted to him time to time by the Board of Directors of the Company.

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 business of the company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a 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 your 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:** Five years commencing from 11<sup>th</sup> August, 2020 to 10<sup>th</sup> August, 2025.

### **3. OTHER TERMS & CONDITIONS:**

For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

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**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 Managing Director which the Board as it may, in its discretion deem fit, within the limits as specified in the provisions of Section 197 read with 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 Managing Director, subject to such approvals as may be required.

**RESOLVED FURTHER THAT** the above terms and conditions of the said re-appointment may be altered/varied including enhancement in remuneration from time to time by the Board of Directors 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.

**RESOLVED FURTHER THAT** Sitting fees of ` 100,000/- (Rupees One Lac only) will be paid to Mr. Anand Sancheti, Managing Director for attending meeting of the Board of Directors and Executive committee/Committees thereof.

**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. To approve the enhancement in prescribed limit of remuneration payable to related party's appointment to any office or place of profit in its subsidiary - 188(1) (f)**

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

**"RESOLVED THAT** further to the approval of the Board vide its meeting dated 19<sup>th</sup> December, 2016, for Appointment of Mr. Dilip Surana as the Managing Director in Ayodhya Ghorakhpur SMS Toll Private Limited, w.e.f 9<sup>th</sup> of January, 2017 the Wholly Owned Subsidiary (WOS) of the Company (SMS Limited) and pursuant to the provisions of Section 188(1)(f) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force) and further to the approval of Audit Committee vide its meeting dated February 29, 2020 and approval of Board vide its meeting dated March 31, 2020, the consent of the members be and is hereby accorded for the related party transactions for payment of ` 2,00,00,000/- (Rupees Two Crore only) as 'Performance Bonus' to Mr. Dilip Surana (Managing Director of WOS) from Ayodhya

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Ghorakhpur SMS Toll Private Limited, holds office or place of profit pursuant to section 188(1) (f) of the companies Act, 2013.

**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: 31.03.2020**

**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.

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.

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- 3) Explanatory statement pursuant to section 102 of The Companies Act, 2013, in respect of the business under item Nos. 1 is 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.

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**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 to 5 of the accompanying Notice dated June 22, 2020.

**Item No. 1 to 3**

(1) Members may kindly recall, Mr. Abhay Sancheti, Chairman and Whole Time Director, Mr. Dilip Surana as Whole Time Director and Mr. Anand Sancheti, Managing Director and Key Managerial Personnel of the Company were re-appointed as Whole Time Director/s, Managing Director of the Company for a period of five years each with effect from, November, 11, 2015, May 24, 2017 and August 10, 2015 respectively, by means of Ordinary Resolutions passed by the Members at the 18<sup>th</sup> Annual General Meeting and Extra Ordinary General Meeting of the Company held on September 28, 2015, April 29, 2017 and April 15, 2015 respectively.

(2) The Terms of their remuneration approved by the Members at the 18<sup>th</sup> Annual General Meeting and Extra Ordinary General Meeting held on September 28, 2015, April 29, 2017 and April 15, 2015 respectively together with recommendation of Nomination and Remuneration Committee for revision in remuneration at its meetings held on 21<sup>st</sup> March, 2018, and 29<sup>th</sup> March, 2019 and approval of the Board vide their meeting dated 21<sup>st</sup> March, 2018 and 29<sup>th</sup> March, 2019 respectively *inter alia* included payment of "Minimum Remuneration" to the said Managerial Personnel in the event of inadequacy or absence of profits, in any financial year or years during their tenure, comprising salary, contribution to provident fund, perquisites, etc., as detailed under, will pay remuneration upto the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as minimum remuneration, subject to requisite approvals under the Act:

The remuneration paid/payable to the aforesaid present and past Managerial Personnel viz. Mr. Abhay Sancheti, Chairman and Whole Time Director, Mr. Dilip Surana as Whole Time Director and Mr. Anand Sancheti, Managing Director during financial year ending on March 31, 2020 and onwards, as applicable, has been approved by the Members of the Company, as under:

**A. Mr. Abhay Sancheti, Chairman and Whole Time Director: Remuneration**

Sr.no	Particulars	Composition
i	Gross Salary	₹ 10,10,000/- per month
ii	Annual CTC	₹ 1,35,02,400/-
iii	Special Allowance	₹ 50,000/-per month (being part of salary)
iv	Perquisites	In addition to the aforesaid salary, Shri Abhay Sancheti shall be entitled to following perquisites within the overall limit, if any, prescribed under Schedule V

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		of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, and the same shall be valued as per the provisions of the Income-tax Act Rules wherever applicable, and in absence of any such provision, perquisites shall be valued at actual cost.
	a) Leave Travel Assistance	NIL
	b) Club Fees	Fees (excluding initial joining fees) subject to a maximum of two club.
	c) Employer's contribution to Provident fund /superannuation fund	As per Rules of the Company
	d) Car & Telephone	Two chauffer driven Car with driver and a land line telephone facilities at residence along with two mobile connection in the name of appointee through Corporate plan. will be provided to the appointee.
	e) Electricity & Water bill	Payment for electricity bill for one meter and water bill at appointee's residence
	f) Security Guard	The expenditure incurred in Security Guard at residence shall be borne by the Company
II	Other Conditions	For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

The Board of Directors of the Company are authorised to revise the remuneration of Mr. Abhay Sancheti, Whole Time Director from time to time on their absolute discretion in accordance with the provisions of the Companies Act, 2013.

**B. Mr. Dilip Surana, Whole Time Director: Remuneration**

Sr.no	Particulars	Composition
i	Annual Gross Salary	₹ 1,34,96,429/-
ii	CTC (inclusive of Employers Provident Fund)	₹ 1,50,44,000/-
iii	Special Allowance	₹ 6,00,000/- Annually (being part of CTC)
iv	Perquisites	
	a) Leave Travel Assistance	NIL
	b) Club Fees	Fees (excluding initial joining fees) subject to a maximum of two club.
	c) Car/Telephone	Two chauffer driven Car with driver and a land line telephone facilities at residence along with two mobile connection in the

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		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.
'II	Other Conditions	For all other terms and conditions not specifically mentioned above, the Rules and Order of the Company shall apply.

The Board of Directors of the Company are authorised to revise the remuneration of Mr. Dilip Surana, Whole Time Director from time to time on their absolute discretion in accordance with the provisions of the Companies Act, 2013.

**C. Mr. Anand Sancheti, Managing Director: Remuneration**

Sr.no	Particulars	composition
i	Annual Gross Salary	₹ 2,04,05,000/-
ii	Annual CTC (inclusive of Employers Provident Fund + Perquisites)	₹ 2,34,53,600/-
iii	Perquisites	₹ 6,00,000/- Annually
	a) Leave Travel Assistance	NIL
	b) Club Fees	Fees (excluding initial joining fees) subject to a maximum of two club.
	c) Car/Telephone	Two chauffer driven Car with driver and a land line telephone facilities at residence along with two mobile connection 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.
'II	Other Conditions	For all other terms and conditions not specifically mentioned above, the Rules and Order of the Company shall apply.

The Board of Directors of the Company are authorised to revise the remuneration of Mr. Anand Sancheti, Managing Director from time to time on their absolute discretion in accordance with the provisions of the Companies Act, 2013.

In the event of inadequacy or absence of profits under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 in any Financial Year or years, the Managerial Personnel shall be entitled to such remuneration as they may be then drawing, as specified in paras A, B and C above as their minimum remuneration.

(3) As the Members are aware, the Company had been making consistent and adequate profits upto the Financial Year 2018-19. However, there was a drop in the profitability in subsequent years 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 for reasons beyond the control of the Company. As a result, the Company had inadequate profits for the Financial Years 2019-20 for the purpose of Managerial Remuneration to the said Managerial Personnels. The Members while approving the above re-appointment and remuneration had also approved that if in any financial year, the Company no profits or its profits are inadequate, the Company will pay remuneration to the Managerial Personnel as decided by the Board of Directors from time to time, with the necessary approvals as may be required. The Company therefore pay Remuneration to them, within the limits as approved by the Members at the General Meeting and in furtherance as allowable by the act and rules made thereunder by the Board of Directors at its meeting dated 21.03.2018 and 29.03.2019, respectively which exceeded the limits specified under Section 197 of the Companies Act, 2013 (Act) read with Schedule V thereto.

(4) Pursuant to the amended provisions of Section 197 (3) of the Act read with Schedule V thereto, if in any Financial Year, the Company has no profits or its profits are inadequate, it can pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V to the Act i.e. not exceeding the limits specified under Item (A) of Section II of Part II of the said Schedule; provided that the remuneration in excess of above limits may be paid if the resolution passed by the Members is a Special Resolution.

(5) Based on the provisional Financial Results of the Company as on the 31<sup>st</sup> December, 2019 and other relevant factors including prevailing market conditions, the Company may not have adequacy of Profits in the Financial Year 2019-20 ending 31<sup>st</sup> March 2020, to pay (Minimum) Remuneration to Managerial Personnel (i.e Whole Time Directors and Managing Director), as was approved by the Members at the time of their respective re-appointments at the AGM dated 28.09.2015 and EGM dated 29.04.2017 and 15.04.2015 and further approval for revision in remuneration by the Board of Directors at its meeting dated 21.03.2018 and 29.03.2019. It is therefore considered desirable to obtain fresh approval of Members by way of Special Resolutions for payment of minimum remuneration to the said Managerial Personnel for F.Y. 2019-20, along with the payment of said remuneration for the remaining period of their tenure in case the Company has inadequacy of Profits for that period.

(6) In view of the above, it is also proposed to obtain fresh approval of the Members by way of renewal through Special Resolutions as mentioned at serial nos. 1 to 3 of the Notice to the terms of remuneration payable to Mr. Abhay Sancheti, Mr. Dilip Surana and Mr. Anand Sancheti for the Financial Year 2019-20 commencing 1<sup>st</sup> April 2019 and ending on

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31<sup>st</sup> March 2020 and for the remaining period of their respective tenures i.e., up to 22<sup>nd</sup> January, 2020 (Ceased as Director due to demise), 31<sup>st</sup> March, 2020 and 10<sup>th</sup> August, 2020 respectively, which shall be in accordance with and within the remuneration structure and overall limits of managerial remuneration already approved by the Members at the aforesaid General Meeting and further by Board as mentioned in the Para 2 hereinabove.

(7) The Nomination and Remuneration Committee vide its meeting dated 29<sup>th</sup> February, 2020 and Board of Directors of the Company vide its meeting dated 31<sup>st</sup> March, 2020 at their respective Meetings have *inter alia* recommended above Resolutions for approval of the Members by means of Special Resolutions.

The Board recommends the Resolutions at Sl. Nos. 1 to 3 of the Notice for approval of the Members by means of Special Resolutions.

Mr. Abhay Sancheti for himself and through his relatives Mr. Paramveer Sancheti and Mr. Akshay Sancheti (Son of Mr. Abhay Sancheti), and Mr. Anand Sancheti to the extent of their shareholding in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution Nos. 1 and 3 Mr. Dilip Surana for himself, may be deemed to be concerned or interested, financially or otherwise, in the Resolution Nos. 2. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolutions.

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

**MR. Abhay Sancheti** is a Graduate Electrical Engineer with additional qualifications in business management. and has been associated with the Company since its incorporation is a promoter Director. His inherent qualities as an Entrepreneur coupled with above qualifications propels business plans of the Group in every venture. He is a great visionary with lot of enthusiasm for taking SMS to greater heights. He has rich experience of 29 years in project execution, especially in the areas of experience in infrastructure and environment projects, techno-commercial management of turn key and BOT projects.

**MR. Dilip Surana** is Diploma in Civil Engineering, He has been associated with the SMS Group since 1984 and was appointed as Whole Time Director in 2007. He has vast experience of 35 years. and has been involved in planning and execution of all types construction projects like construction of Earthen Dams, Concrete/Masonry Dams, Canals, Pipelines, Bridges, Roads and Highways, Tunnels and operation and maintenance of Tollways. He is currently responsible for the P&L of all the ongoing infrastructure projects including its planning, monitoring & progress. His rich knowledge has provided necessary support for smooth execution of the projects directly monitored by him and to other projects the company has undertaken.

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A Commerce Graduate with diploma in Entrepreneurship Administration & Business Laws and has been associated with the Company since its incorporation. He has very rich experience in Management and the industry and is acquainted with thorough knowledge of handling various business. Under his leadership, SMS Limited has executed/executing various prestigious projects along with the successful implementation of first PPP project in Roads Sector, in India. He has been involved in Project implementation for a period of more than 19 years. He has won the prestigious award - "Transformational Business Leader of the year 2016". He has been a faculty for structured Finance and Project finance at World Bank Knowledge Forum, State Bank of India, etc at various forums and also a Member of the Board of Governance for Indian Institute of Management, Raipur, Trustee at Bhonsla Military School – Nagpur and associated with other organisations.

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:

<b>I. General Information</b>	
(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 <sup>th</sup> May, 1997.
(3) In case of new companies, expected date of commencement of activities	NA

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as per project approved by financial institutions																																					
(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 &amp; 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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(5) Export performance and net foreign exchange collaborations	NA																																				
(6) Foreign investments or collaborators, if any.	NA																																				

II. Information about the appointee:	MR. Abhay Sancheti	MR. Dilip Surana	MR. Anand Sancheti
(1) Background details	MR. Abhay Sancheti is a Graduate Electrical Engineer with additional qualifications in business management. and has been associated with the Company since its incorporation is a promoter Director. His inherent qualities as an Entrepreneur coupled with above qualifications propels business plans of the Group in every venture. He is a great visionary with lot of enthusiasm for taking SMS to greater heights. He has rich experience	MR. Dilip Surana is Whole Time Director. He has done Diploma in Civil Engineering. He is associate with the Company since incorporation however was appointed as Whole Time Director in 2007. He has vast experience of 35 years and has been involved in planning and execution of all types construction projects like construction of Earthen Dams, Concrete / Masonry	A Commerce Graduate with diploma in Entrepreneurship Administration & Business Laws and has been associated with the Company since its incorporation. He has very rich experience in Management and the industry and is acquainted with thorough knowledge of handling various business. Under his leadership, SMS Limited has executed/executing various prestigious

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	in infrastructure and environment projects, techno-commercial management of turn key and BOT projects.	Dams, Canals, Pipelines, Bridges, Roads and Highways, Tunnels and operation and maintenance of Tollways. He is currently responsible for the P&L of all the ongoing infrastructure projects including its planning, monitoring & progress. His rich knowledge has provided necessary support for smooth execution of the projects directly monitored by him and to other projects the company has undertaken.	projects along with the successful implementation of first PPP project in Roads Sector, in India. He has been involved in Project implementation for a period of more than 19 years. He has won the prestigious award - "Transformational Business Leader of the year 2016".  Under his leadership SMS Limited has won various awards. He has been a faculty for structured Finance and Project finance at World Bank Knowledge Forum, State Bank of India, etc at various forums and also a Member of the Board of Governance for Indian Institute of Management, Raipur, Trustee at Bhonsla Military School – Nagpur and associated with other organisations.
(2) Past remuneration	₹ 1,35,02,400/- Annual CTC	₹ 1,50,44,000/- Annual CTC	₹ 2,34,53,600/- Annual CTC
(3) Recognition or awards	None	None	He has won the prestigious award - "Transformational Business Leader of the year 2016".
(4) Job profile and his suitability	Name: Abhay Sancheti DOB : 29.04.1959	Name: Dilip Surana DOB : 24.05.1965 His current term of	Name: Anand Sancheti DOB : 16.09.1971

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	<p>He ceased to be Director on 22<sup>nd</sup> Janaury, 2020 due to his demise. However his current term of appointment as a Whole Time Director of the Company shall expire on 31<sup>st</sup> October, 2020.</p>	<p>appointment as a Whole Time Director of the Company will expire on 23<sup>rd</sup> May, 2022. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors are of the opinion that for smooth and efficient running of the business, the services of Mr. Dilip Surana should be available to the Company.</p>	<p>His current term of appointment as a Managing Director of the Company will expire on 10<sup>th</sup> August 2020. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Anand Sancheti should be available to the Company.</p>
(5) Remuneration	₹ 1,35,02,400/- Annual CTC	₹ 1,50,44,000/- Annual CTC	₹ 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	As per industry Norms	As per industry Norms
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Abhay Sancheti has a relationship with the Company as Whole Time Director and Member and related through his son's Mr. Paramveer Sancheti and Mr. Akshay Sancheti	Mr. Dilip Surana has a relationship with the Company as Whole Time Director.  He does not hold any shares in the Company	Mr. Anand Sancheti has a relationship with the Company as Managing Director and Member.  He holds 2410997 shares in the Company and

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	<p>appointed as Wholetime Director in the Company w.e.f March 1, 2020.</p> <p>He holds 3214696 shares in the Company to 31.33% of shareholding in the Company.</p> <p>He does not have any other pecuniary relationship during his tenure of appointment.</p>	<p>He does not have any other pecuniary relationship.</p>	<p>along with his relative Mr. Ajay Sancheti who holds 23.49% of shareholding in the Company.</p> <p>He does not have any other pecuniary relationship.</p>
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<b>III. Other information:</b>	
(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	The Company is taking necessary steps to mitigate the losses and is confident that in F.Y. 2021-22 such factos would be managed by the Company.
(3) Expected increase in productivity and profits in measurable terms.	The Company has drawn up an annual basis plan which it will endeavor to achieve.

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

Name	MR. Abhay Sancheti	MR. Dilip Surana	MR. Anand Sancheti
Age	61 years	55 years	48 years

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Qualification	Bachlore of Electrical Engineering	Diploma in Civil Engineering	Bachlore of Commerce and Diploma in Entrepreneurship Administration & Business Laws
Experience	<p>Mr. Abhay Sancheti is associated with the Company since its incorporation as Promoter Director of the Company and appointed as Whole Time Director of the Company in since incorporation i.e. May 08, 1997.</p> <p>His inherent qualities as an Entrepreneur coupled with above qualifications propels business plans of the Group in every venture. He is a great visionary with lot of enthusiasm for taking SMS to greater heights. He has rich experience of 29 years in project execution, especially in the areas of experience in infrastructure and environment projects, techno-commercial management of turn key and BOT projects.</p>	<p>Mr. Dilip Surana is associated with the Company as since its incorporation and was appointed as Whole Time Director of the Company since May 24, 2007 and still continues as Whole Time Director in the Company.</p> <p>Diploma in Civil Engineering. He is associate with the Company since incorporation however was appointed as Whole Time Director in 2007. He is involved in planning and execution of all types construction projects like construction of Earthen Dams, Concrete/Masonry Dams, Canals, Pipelines, Bridges, Roads and Highways, Tunnels and operation and maintenance of Tollways. He is currently responsible for the P&amp;L of all the ongoing infrastructure projects including its</p>	<p>Mr. Anand Sancheti is associated with the Company initially as Promoter Director of the Company and appointed as Joint Managing Director of the Company since August 11, 2010 and Managing Director of the Company since April 10, 2012.</p> <p>He have been involved in Project implementation for a period of more than 19 years. He was also involved in the successful implementation of first PPP project in Roads Sector, in India.</p> <p>Under his leadership SMS Limited has won the Award "Indian Affairs Infrastructure Company of the Year 2016", Best Concrete Structure Award in Irrigation, Best Structure Award for Katraj Tunnels. Best Structure Award at Bhandewadi, STP Plant, Nagpur. He has won the prestigious award - "Transformational</p>

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		planning, monitoring & progress. His rich knowledge has provided necessary support for smooth execution of the projects directly monitored by him and to other projects the company has undertaken.	Business Leader of the year 2016".
Terms and Conditions of Appointment	As per Appointment Letter	As per Appointment Letter	As per Appointment Letter
Remuneration	~ 1,35,02,400/- including allowances per annum	~ 1,50,44,000/- including allowances per annum	~ 2,34,53,600/- including allowances per annum
Remuneration (Last Drawn)	~ 1,35,02,400/- Annual CTC	~ 1,50,44,000/- Annual CTC	~ 2,34,53,600/- Annual CTC
Date of First Appointment on the Board	08 <sup>th</sup> May 1997	24 <sup>th</sup> May, 2007	08 <sup>th</sup> May 1997
Shareholding in the Company	3214696 share	Nil	24,10,997 share
Relationship with other Director	Father of Mr. Paramveer Sancheti and Mr. Akshaky Sancheti (Whole Time Director)	NONE	NONE
Number of Board Meeting Attended during the Year	--	He attended all the Board Meeting dated 25.07.2019, 26.09.2019, 18.01.2020, 29.02.2020 31.03.2020	He attended all the Board Meeting dated 25.07.2019, 26.09.2019, 18.01.2020, 29.02.2020 31.03.2020
Manager / Other Directorship/ Chairmanship of Committees of the Board	None	1. Patwardhan Infrastructure Private Limited 2. Ayodhya Gorakhpur SMS Tolls Private Limited (MD) 3. SMS Toll And Developers Limited	1. Veetrag Hospitality Private Limited 2. SMS Mine Developers Private Limited 3. Veetrag & Rag Minerals Private Limited

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			4. Valencia Constructions Private Limited 5. SMS Tolls And Developers Limited 6. Atul Multi Objectives Organisation 7. Spanv Medisearch Lifesciences Private Limited 8. SMS Multi Objective Organisation
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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. 1 to 3 are recommended for approval of the Members in the best interest of the Company.

#### Item No.4

A Commerce Graduate with diploma in Entrepreneurship Administration & Business Laws and has been associated with the Company since its incorporation. He has very rich experience in Management and the industry and is acquainted with thorough knowledge of handling various business. Under his leadership, SMS Limited has executed/executing various prestigious projects along with the successful implementation of first PPP project in Roads Sector, in India. He has been involved in Project implementation for a period of more than 19 years. He has won the prestigious award - "Transformational Business Leader of the year 2016".

Under his leadership SMS Limited has won various awards "Indian Affairs Infrastructure Company of the Year 2016", Best Concrete Structure Award in Irrigation, Best Structure Award for Katraj Tunnels. Best Structure Award at Bhandewadi, STP Plant, Nagpur.

He has been a faculty for structured Finance and Project finance at World Bank Knowledge Forum, State Bank of India, etc at various forums and also a Member of the Board of Governance for Indian Institute of Management, Raipur, Trustee at Bhonsla Military School – Nagpur and associated with other organisations.

Members are requested to note that upon recommendation of the Nomination and Remuneration Committee vide its 11<sup>th</sup> Meeting dated February 29, 2020 and approval of

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the Board of Directors at its 425<sup>th</sup> meeting dated March 31, 2020 re-appointed Mr. Anand Sancheti as a Managing Director of the Company for 5 (Five) years with effect from 11<sup>th</sup> August 2020, subject to the approval of the Members of the Company.

Broad particulars of the terms of re-appointment of and remuneration payable to MR. Anand Sancheti are as under:

**Designation:** MR. Anand Sancheti shall hold office of Managing Director of the Company.

**Term:** MR. Anand Sancheti shall hold office of Managing Director of the Company for the period of 5 (Five) years with effect from 11<sup>th</sup> August, 2020. He shall be liable to retirement by rotation in terms of the Act and the Articles of Association of the Company."

**Remuneration / Perquisites / Allowances:** MR. 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 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.

II) Other Conditions:

1) For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

Members are requested to note that the Company has received consent in writing from MR. Anand Sancheti to act as a Managing Director of the Company and declaration(s) and confirmation stating that he satisfies all the conditons of appointment as a Managing 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 at its 425<sup>th</sup> meeting dated

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March 31, 2020 on recommendation of Nomination remuneration committee vide its meeting held on 29<sup>th</sup> February, 2020 proposes to re-appoint MR. Anand Sancheti as Managing Director of the Company to hold the office for a term of 5 (Five) consecutive years from 11<sup>th</sup> August 2020 to 10<sup>th</sup> August 2025 and place before the meeting, the resolution set out in Item No. 4 for approval by Members, pursuant to the provisions of section 2(54), 2(78), 196, 197, 198 and 203 of the Companies Act, 2013 as "Special resolution"

Minimum remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of MR. Anand Sancheti the Company has no profits or its profits are inadequate, the Company will pay remuneration, for a period of 3 years, by way of Salary, Benefits, Perquisites and Allowances and bonus etc. as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

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

A Commerce Graduate with diploma in Entrepreneurship Administration & Business Laws and has been associated with the Company since its incorporation. He has very rich experience in Management and the industry and is acquainted with thorough knowledge of handling various business. Under his leadership, SMS Limited has executed/executing various prestigious projects along with the successful implementation of first PPP project in Roads Sector, in India. He has been involved in Project implementation for a period of more than 19 years. He has won the prestigious award - "Transformational Business Leader of the year 2016".

Under his leadership SMS Limited has won various awards "Indian Affairs Infrastructure Company of the Year 2016", Best Concrete Structure Award in Irrigation, Best Structure Award for Katraj Tunnels. Best Structure Award at Bhandewadi, STP Plant, Nagpur.

He has been a faculty for structured Finance and Project finance at World Bank Knowledge Forum, State Bank of India, etc at various forums and also a Member of the Board of Governance for Indian Institute of Management, Raipur, Trustee at Bhonsla Military School – Nagpur and associated with other organisations.

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

...25..



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:

<b>I. General Information</b>				
(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 <sup>th</sup> 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	<b>As per audited financial results for the year</b>			
	<b>(` in Lac)</b>			
	<b>Particulars</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	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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(5) Export performance and net foreign exchange collaborations	NA
(6) Foreign investments or collaborators, if any.	NA
<b>II. Information about the appointee:</b>	
(1) Background details	A Commerce Graduate with diploma in Entrepreneurship Administration & Business Laws and has been associated with the Company since its incorporation. He has very rich experience in Management and the industry and is acquainted with thorough knowledge of handling various business. Under his leadership, SMS Limited has executed/executing various prestigious projects along with the successful implementation of first PPP project in Roads Sector, in India. He has been involved in Project implementation for a period of more than 19 years. He has won the prestigious award - "Transformational Business Leader of the year 2016".
(2) Past remuneration	₹ 2,34,53,600/- Annual CTC
(3) Recognition or awards	He has won the prestigious award - "Transformational Business Leader of the year 2016".
(4) Job profile and his suitability	Name: Anand Sancheti DOB : 16.09.1971 His current term of appointment as a Managing Director of the Company will expire on 10 <sup>th</sup> August 2020. Considering his knowledge of various aspects
	relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Anand Sancheti should be available to the Company.
(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.	Mr. Anand Sancheti has a relationship with the Company as Managing Director and Member.  He holds 2410997 shares in the Company and along with his relative Mr. Ajay Sancheti who holds 23.49% of

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	shareholding in the Company.  He does not have any other pecuniary relationship.
<b>III. Other information:</b>	
(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	The Company is taking necessary steps to mitigate the losses and is confident that in F.Y. 2021-22 such factos would be managed by the Company.
(3) Expected increase in productivity and profits in measurable terms.	The Company has drawn up an annual basis plan which it will endeavor to achieve.

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

Age	48 years
Qualification	Bachlore of Commerce and Diploma in Entrepreneurship Administration & Business Laws
Experience	Mr. Anand Sancheti is associated with the Company initially as Promoter Director of the Company and appointed as Joint Managing Director of the Company in the year 2010 and Presently he is the Managing Director of the Company.
	He have been involved in Project implementation for a period of more than 19 years. He was also involved in the successful implementation of first PPP project in Roads Sector, in India.  Under his leadership SMS Limited has won the Award "Indian Affairs Infrastructure Company of the Year 2016", Best Concrete Structure Award in Irrigation, Best Structure Award for Katraj Tunnels. Best Structure Award at Bhandewadi, STP Plant, Nagpur.  He has won the prestigious award - "Transformational Business Leader of the year 2016".
Terms and Conditions of Appointment	As mentioned above

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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	08 <sup>th</sup> May 1997
Shareholding in the Company	24,10,997 share
Relationship with other Director	NONE
Number of Board Meeting Attended during the Year	He attended all the Board Meeting dated 25.07.2019, 26.09.2019, 18.01.2020, 29.02.2020 and 31.03.2020
Manager / Other Directorship/ Chairmanship of Committees of the Board	1. Veetrag Hospitality Private Limited 2. SMS Mine Developers Private Limited 3. Veet Rag Exploration & Minerals Private Limited 4. Valencia Constructions Private Limited 5. SMS Tolls And Developers Limited 6. Atul Multi Objectives Organisation 7. Spanv Medisearch Lifesciences Private Limited 8. SMS Multi Objective Organisation

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 and is available for inspection by the members at the registered office of the Company. The Resolution at Item No. 4 is recommended for approval of the Members in the best interest of the Company.

### Memorandum of Interest

None of the Director or Key Managerial Personnel of the Company and/or their relatives other than MR. Anand Sancheti, in his personal capacity is 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

Mr. Dilip Surana, Whole Time Director who is appointed as the Managing Director in Ayodhya Ghorakhpur SMS Toll Private Limited (AGSTPL), w.e.f 9th of January, 2017 the Wholly Owned Subsidiary (WOS) of the Company (SMS Limited) holds office or place of profit pursuant to section 188(1) (f) of the companies Act, 2013

To ensure transparency in the transactions and dealings with related parties the provisions of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15 (3) (b) of the Companies

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(Meeting of Board and its Power) Rules, 2014 require prior approval of the member's by means of Ordinary Resolution for enhancement in prescribed limit of salary payable to such related party's appointment to any office or place of profit in the Company or its subsidiary or its associates .

The Management after considering the aforementioned provision of the Companies Act, 2013 propose for grant of performance bonus of ` 2,00,00,000/- (Rupees Two Crore only) to Mr. Dilip Surana from Ayodhya Ghorakhpur SMS Toll Private Limited (WOS) for extraordinary performance and efforts in ensuring more than normal project surplus for O & M of Ayodhya-Gorakhpur Section (km, 137.970 to km 252.860) stretch of NH-28 (Total length 116.101 km) in the state of Uttar Pradesh on OMT basis (Pkg; No. NHAI/OMT/Pkg-11/2011) project

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

None of the Directors are concerned or interested financial or otherwise, in respect of passing of the Resolution set out at Item No. 5

The Board recommends the resolution for approval of the members.

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

**Sd/-**

**PLACE: NAGPUR  
DATE: 31.03.2020**

**ANAND SANCHETI  
MANAGING DIRECTOR  
DIN : 00953362**

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

### Route Map of EGM Venue

