

**AI Champdany Industries Limited**

(CIN: L51909WB1917PLC002767)

Registered Office : 25, Princep Street, Kolkata – 700 072

Email : [cil@ho.champdany.co.in](mailto:cil@ho.champdany.co.in), Website : [www.jute-world.com](http://www.jute-world.com)

Phone : (033) 2237 7880 to 85 / 2225 1050 / 7924 / 8150 Fax: (91) (33) 22250221 / 22363754

**Notice**

Notice is hereby given that the Ninety Sixth Annual General Meeting of the Members of the Company will be held on Tuesday, 12 August, 2014 at 10:30 A.M. at the Auditorium of Bengal National Chamber of Commerce and Industry, 1<sup>st</sup> floor, 23, Sir R N Mukherjee Road, Kolkata – 700 001 to transact the following businesses:

**Ordinary Business:**

- (1) To consider and adopt:
  - (a) the audited financial Statement of the Company for the financial year ended March 31, 2014, the report of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial Statement of the Company for the financial year ended March 31, 2014.
- (2) To appoint a Director in place of Mr. D J Wadhwa (DIN: 00046180), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
- (3) To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. D. P. Sen & Co., Chartered Accountants (Registration No. 301054E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

**Special Business :**

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

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. G. Goswami (DIN: 00024209), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 99<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017.”

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

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S.M. Palia ( DIN: 00031145), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 99<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017.”

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of the Central govt , if necessary, and subject to all such approvals as may be required, approval of the company be and is hereby accorded for elevating Mr. Nirmal Pujara (DIN: 00047803) from Executive director to Managing Director of the Company for the remaining period i.e. from May 12, 2014 to December 31, 2017, on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with liberty to the Board of Directors of the company (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions in such manner as it may deem fit and as may be acceptable to Mr. Nirmal Pujara, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

(7) **To consider and if thought fit, to pass, with or without modifications, 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 and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting held on 26th September, 2006 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, that is to say reserves not set apart for any specific purpose , provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs. 125 Crores (Rupees One Hundred Twenty Five Crores) over and above the aggregate of the paid up share capital and free reserves of the Company as aforesaid.”

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

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), consent of the company be and is hereby accorded to the Board of Directors of the Company to mortgage, hypothecate or in any other way charge in favour of the lenders all or any of the movable and/or immovable properties of the company, both present and/or future of the whole or substantially the whole of the undertaking or undertakings of the Company for availment of any loan or guarantees and to secure the payment of interest thereon or any fees or charges or expenses relating thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things in connection therewith and incidental thereto as the Board of Directors in its absolute discretion may deem fit, to give effect to this resolution.”

Registered Office  
25, Princep Street  
Kolkata – 700072  
Dated: May 30, 2014

By Order of the Board  
Sd/-  
**Swaroop Saha**  
Company Secretary

**Important Notes:**

- a) The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice convening this meeting is annexed hereto.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form for the AGM is enclosed herewith. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- c) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative not less than 48 hours before the commencement of the meeting, to attend and vote on their behalf at the meeting.
- d) Members / Proxies are requested to bring their Attendance Slip enclosed herewith along with their copy of Annual Report to the meeting.
- e) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- f) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
- g) As per clause 49 of the Listing Agreement with the Stock Exchanges brief resume of the Directors seeking appointment / re – appointment at the AGM are included in the statement pursuant to Section 102 (1) of the Companies Act, 2013 set out in the Notice convening this meeting. The Directors have furnished the requisite consent / declarations for their appointment / re – appointment.
- h) The Notice of the 96<sup>th</sup> AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form and Copies of Annual Report for the financial year 2013-2014 are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

- i) The register of Members and the Share Transfer Book of the Company will remain closed from August 1, 2014 to August 12, 2014 (both days inclusive).
- j) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- k) The Company has entered into necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholdings in the Company for which they may contact the Depository Participants of either of the Depositories.
- l) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar and Share Transfer Agent of the Company of any change in their address or demise of any member as soon as possible at the following address :

**M/s MCS Share Transfer Agent Ltd.  
12/1/5, Manoharpukur Road  
Kolkata – 700 026  
Phone : 40724051-53  
Fax: 40724054**

Members are requested to address all correspondence, including dividend matters if any, to the aforesaid Share Transfer Agent of the Company. Members are advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

- m) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent.
- n) Pursuant to the provision of Section 205A(5) and 205 C of the companies Act, 1956 as amended, dividend for the financial year ended **March 31, 2007** and **March 31, 2008**, which remained unpaid or unclaimed for a period of seven years, will be transferred to the “**Investors Education and Protection Fund**” established by the Central Government. **Shareholders, who have not encashed the dividend warrants so far for the financial year ended March 31, 2007 and for Financial year ended March 31, 2008 are requested to make their claims to the Registered Office of the Company at 25, Princep Street, Kolkata-700 072.** It may please be noted that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the company has uploaded the details of unpaid and unclaimed amounts lying with the company as on August 14, 2013 (date of last Annual General Meeting) on the website of the company ([www.jute-world.com](http://www.jute-world.com)), and also on the website of the Ministry of Corporate Affairs.
- o) As approved by the Shareholders, the company has sub divided the Equity Shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each with effect from September 19, 2008. Shareholders who have not yet surrendered old share certificates of face value of Rs. 10/- each, are requested to surrender the same to the Registrar and Share Transfer Agent to enable the Company to dispatch the new share certificates in lieu of old certificates.
- p) Members may also note that the Notice of the 96<sup>th</sup> AGM and the Annual Report for the financial year 2013-2014 will be available on the Company’s website, [www.jute-world.com](http://www.jute-world.com) . The physical copies of the aforesaid documents will also be available at the Company’s registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : [aicilinvestors@gmail.com](mailto:aicilinvestors@gmail.com)
- q) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to Registrar & Share Transfer Agent (i.e. MCS Share Transfer Agent Ltd.), for consolidation into a single folio.
- r) Non-Resident Indian Members are requested to inform M/s MCS Share Transfer Agent Ltd, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- s) **Members who have not registered their Email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc from the company electronically. Please provide your e-mail address mentioning the Company’s name and Folio Number to our Registrar, M/s MCS Share Transfer Agent Ltd. , by post at their postal address 12/1/5, Manohar Pukur Road, Kolkata-700026 or by email at [mcskol@rediffmail.com](mailto:mcskol@rediffmail.com) in case shares held in physical form.**
- t) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. The nomination form can be downloaded from the company’s website **[www.jute-world.com](http://www.jute-world.com)**
- u) **Voting through electronic means :**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 96<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services provided by NSDL.  
The instructions for e-voting are as under:
    - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open email and open PDF file viz; “**AI Champdany e-voting.pdf**” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select “EVEN” of AI Champdany Industries Ltd.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote subsequently.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [roymoulik.co@gmail.com](mailto:roymoulik.co@gmail.com) or [cil@ho.champdany.co.in](mailto:cil@ho.champdany.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
  - Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
  - Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-voting website of NSDL through their website viz.; [www.icicidirect.com](http://www.icicidirect.com) for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website [www.icicidirect.com](http://www.icicidirect.com). Please note that in case you are not able to login through the ICICI direct website, you can also access the e-voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
    - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:  

<b>EVEN</b> (E Voting Event Number)	<b>USER ID</b>	<b>PASSWORD/PIN</b>
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    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
  - II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Telephone No. 022-24994600.
  - III. If you are already registered with **NSDL** for e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - V. The e-voting period commences on **August 5, 2014 (9:00 AM)** and ends on **August 7, 2014 (6:00 PM)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of July 11, 2014** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up share capital of the Company as on the **cut-off date of July 11, 2014**.
  - VII. **Mr. Harisadhan Ghosh**, Chartered Accountant in Whole time practice (Membership No.5886) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - IX. The Results shall be declared **on the date of AGM** of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.jute-world.com](http://www.jute-world.com) and on the website of **NSDL** within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the **NSE / BSE / CSE Limited**.
  - v) Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

## **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### **Item No. 4**

Dr. G. Goswami is a Non-Executive Independent Director of the Company.

The Securities and Exchange Board of India (SEBI) has amended clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent directors by a listed company.

It is proposed to appoint Dr. G. Goswami as Independent Director under Section 149 of the Companies Act, 2013 read with Schedule IV and the rules made thereunder and clause 49 of the Listing Agreement to hold office for 3(three) consecutive years for a term upto the conclusion of the 99<sup>th</sup> Annual General Meeting of the company in the calendar year 2017.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing the candidature of Dr. G. Goswami for the office of Directors of the company.

The Company has received from Dr. G. Goswami:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board of Directors, Dr. G. Goswami, fulfils the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Rules made thereunder and the Listing Agreement and he is independent of the Management.

A copy of the draft letter for the appointment of Dr. G. Goswami as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

### **Brief Profile of Dr. G. Goswami :**

**Date of Birth:** 5<sup>th</sup> January, 1940

**Date of Appointment:** 30<sup>th</sup> December, 2005

**Qualifications:** M. Tech, PHD

**Expertise in specific functional areas:** Ex-Chairman of IIBI with rich experience in finance and management.

**Directorship in other Companies:** Ganapati Sugar Industries Ltd., Naffar Chandra Jute Mills Ltd., Shibir India Ltd., Rishra Investments Ltd., Amar Investments Ltd.

**Membership/Chairmanship in other Board Committees:** Member of Audit Committee of Shibir India Ltd. and Member of Audit Committee of Rishra Investments Ltd.

**Shareholding as on 31.03.2014:** NIL

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No director, key managerial personnel or their relatives, except Dr. G. Goswami, to whom the resolution relates, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the shareholders.

### **Item No. 5**

Mr. S.M. Palia is a Non-Executive Independent Director of the Company.

The Securities and Exchange Board of India (SEBI) has amended clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent directors by a listed company.

It is proposed to appoint Mr. S.M. Palia as Independent Director under Section 149 of the Companies Act, 2013 read with Schedule IV and the rules made thereunder and clause 49 of the Listing Agreement to hold office for 3(three) consecutive years for a term upto the conclusion of the 99<sup>th</sup> Annual General Meeting of the company in the calendar year 2017.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. S.M. Palia for the office of Directors of the company.

The Company has received from Mr. S.M. Palia:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board of Directors, Mr. S.M. Palia, fulfils the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Rules made thereunder and the Listing Agreement and he is independent of the Management.

A copy of the draft letter for the appointment of Mr. S.M. Palia as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

**Brief Profile of Mr. S.M. Palia:**

**Date of Birth:** 25<sup>th</sup> April, 1938

**Date of Appointment :** 31<sup>st</sup> May, 2006

**Qualifications:** B.Com, LLB, CAIIB, CIIB (LONDON)

**Expertise in specific functional areas:** Ex-Development Banker with rich experience in finance and management.

**Directorship in other Companies:** The Bombay Dyeing & Mfg Co. Ltd., Saline Area Vitalisation Enterprises Ltd., GRUH Finance Ltd., Jerambhai Management Services Pvt. Ltd., Wadhwa Endowment Management Pvt. Ltd.

**Membership/Chairmanship in other Board Committees:** Member of Audit Committee of Bombay Dyeing & Mfg. Co. Ltd. and Chairman of Audit Committee of GRUH Finance Ltd.

**Shareholding as on 31.03.2014:** Equity: 266 shares

2% Preference: 500 shares

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No director, key managerial personnel or their relatives, except Mr. S.M. Palia, to whom the resolution relates, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the resolution set out at Item No. 5 for approval by the shareholders.

**Item No. 6**

At the 95<sup>th</sup> AGM held on August 14, 2013 through special resolution the remuneration of Mr. N Pujara has been enhanced upto the **maximum ceiling** of Rs. 350000 per month (inclusive of Perquisites) as may be decided by the board from time to time but excluding perquisites as specified in Clause 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

In view of the contribution made by Mr. N Pujara and his extensive knowledge of Company's operations and rich experience in managing the affairs of the company, the Board of Directors of the company (the 'Board'), at its meeting held on May 12, 2014 has elevated Mr. N Pujara from Executive Director to Managing Director for the remaining period i.e. from May 12, 2014 to December 31, 2017 and at the meeting held on May 30, 2014 the Board authorised for passing the enabling special resolution at the ensuing AGM for increase in the remuneration of Mr. N Pujara upto the maximum ceiling of **Rs. 84 Lacs p.a. or Rs. 7 Lacs p.m.** (inclusive of perquisites) and Commission upto 2% of the Net Profit of the Company, as may be decided by the Board of Directors from time to time on the recommendation of Nomination & Remuneration Committee, but excluding perquisites as specified in **section IV of part II of schedule V of the Companies Act 2013**, which is subject to approval of shareholders through Special resolution in the ensuing Annual General Meeting.

The principal terms & conditions including the remuneration governing the elevation of Mr. N Pujara are set out below :

- 1) **Salary:** Upto the maximum ceiling of **Rs. 84 Lacs p.a. or Rs. 7 Lacs p.m.** (inclusive of perquisites) as may be decided by the Board of Directors and/or the Nomination & Remuneration Committee from time to time but excluding perquisites as specified in **section IV of part II of schedule V of the Companies Act 2013**.
- 2) **Commission:** In addition to the salary, perquisites and other allowances, if any, as set out in this Agreement, in the event of profit of the company in any financial year, Mr. N Pujara shall be paid commission upto 2% of the Net Profit of the company as may be decided by the Board of Directors and/or the Nomination & Remuneration Committee from time to time, subject to the maximum ceiling limit specified in Section 197 read with Schedule V of the Companies Act, 2013.  
For the purpose of Section 197, the Net Profit of the company shall be calculated as per Section 198 of the Companies Act, 2013.

**3) Perquisites/Amenities:**

Mr. N Pujara shall also be entitled to free furnished accommodation, reimbursement of medical expenses incurred for self and family, leave travel assistance for self and family, personal accident insurance as per company's Personal Accident Scheme, reimbursement of fees for clubs subject to a maximum of two clubs and same will not include admission and life membership fees, car for use on company's business and telephone at residence, reimbursement of entertainment, travelling and other expenses actually & properly incurred for the business of the company.

Provident Fund: As per company's Rule; Gratuity: Half month's salary for each completed year of service;

Superannuation Fund: As per Company's Rules; Leave: 28 days leave for every completed year of working & leave not availed shall be encashed at the end of the tenure.

**Explanation:**

- i) Perquisites shall be evaluated as per Income Tax Rules, wherever applicable & in the absence of any such rules perquisites shall be evaluated at actual cost. The Remuneration mentioned above including the value of total perquisites will not exceed the Maximum ceiling limit specified in Section 197 and in Schedule V of the Companies Act, 2013(excluding perquisites which are not included in the ceiling on remuneration as specified in section IV of part II of Schedule V of the Companies Act, 2013).
- ii) In the event of loss or inadequacy of profit of the company in any financial year, during the currency of the tenure of Mr. N Pujara as Managing Director of the company the remuneration as mentioned above shall be paid to Mr. N Pujara as minimum remuneration, subject to the limit prescribed in Schedule V of the Companies Act, 2013.

#### **4) Other terms & conditions:**

- i) Mr. N Pujara shall not be paid any sitting fees for attending the meeting of the Board or any Committee Meeting thereof.
- ii) The contract can be terminated by either party by giving 3 months prior notice in writing.
- iii) Mr. N Pujara will, during the period of his service with the company, diligently, faithfully and assiduously serve the company and perform his duties in efficient and faithful manner. Besides performing his duties as mentioned, he will be bound, as often as he may be required, to make himself generally useful in the performance of whatever suitable duties which may, from time to time, be assigned to him by the Board of Directors of the Company.
- iv) Mr. N Pujara will not divulge any business secrets of the company to anybody and will obey all or any directions and orders of the Board of Directors of the Company.

#### **5) General Terms & Conditions:**

- i) Mr. N Pujara may with the sanction of the Board of Directors delegate any of his powers to such Managers, Directors, Secretary or other persons, as he may deem fit, and shall have power to grant to such Manager, Director or other delegates such power of Attorney as he may, subject to the approval of the Board of Directors, deem expedient and shall have power to revoke the same.
- ii) The Managing Director shall act in accordance with the Articles of Association of the company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of Directors.
- iii) The Managing Director shall adhere to the Company's Code of Conduct.

Mr. N Pujara satisfy all the conditions set out in Part-I and Part-II of Schedule V of the Companies Act, 2013 and also the conditions set out under subsection (3) of section 196 of the said Act, for being eligible for his elevation as Managing Director of the company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. A consent in writing has been obtained from Mr. N Pujara to act as a Managing Director of the Company.

The above may be treated as a written memorandum setting out the terms of elevation of Mr. N Pujara under Section 190 of the Companies Act, 2013.

#### **Brief Profile of Mr. N Pujara:**

**Date of Birth:** 23<sup>rd</sup> July, 1953

**Date of Appointment:** 5<sup>th</sup> April, 1994

**Qualifications:** B.Com

**Expertise in specific functional areas:** Industrialist with vast experience in Jute Industry and Export Market.

**Directorship in other Companies:** Amar Investments Ltd., Circus Avenue Properties Pvt. Ltd., Coochbehar Industries(I) Pvt. Ltd., Cooper Housing Estates Pvt. Ltd., Cooper Commodities Ltd., Coopers Wealth Advisors Ltd., Gunny Dealers Ltd., G.Jerambhai Exports Ltd., Libra Carpets Pvt. Ltd., Libra Transport Ltd., Rishra Investments Ltd., Shibir India Ltd., Rishra Industrial Enterprise Ltd., West Bengal Multifiber Jute Park Ltd.

**Membership/ Chairmanship in other Board Committees:** Chairman of Audit Committee & Investors' Grievance Committee of Rishra Investments Ltd. and Chairman of Audit Committee & Investors' Grievance Committee of Shibir India Ltd.

**Shareholding as on 31.03.2014:** Equity: 3400 shares

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. N Pujara is interested in the resolution set out at Item No. 6 of the Notice, which pertains to his elevation as Managing Director and remuneration payable to him.

The relatives of Mr. N Pujara may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Resolution set out at Item No.6 for approval by the shareholders.

The particulars required to be disclosed in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 are enclosed in a separate statement and forms a part of this notice.

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 WITH RESPECT TO ITEM NO.6 OF THE NOTICE:

#### **(I) General Information**

1. Nature of Industry :  
Jute & Jute Diversified Products
2. Date or expected date of commencement of commercial production :  
The Company commenced business from the date of incorporation on January 2, 1917.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:  
Not Applicable.
4. Financial performance based on given indicators:  
The Financial performance of the company in the previous three financial years is as follows:

<b><u>Financial Parameter</u></b>	<b><u>For the Year</u></b>		
	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>
<b>Turnover</b> <b>(Rs. in lacs)</b>	<b>39440.62</b>	<b>35393.25</b>	<b>34057.00</b>
<b>Profit After Tax</b> <b>(Rs. in lacs)</b>	<b>75.01</b>	<b>87.21</b>	<b>118.25</b>

5. Export Performance and foreign exchange earnings:

<b><u>Year</u></b>	<b><u>Foreign Exchange Earned</u></b> <b><u>(Rs. in Lacs)</u></b>
<b>2011-12</b>	<b>21921.46</b>
<b>2012-13</b>	<b>6591.91</b>
<b>2013-14</b>	<b>5793.89</b>

6. Foreign investments or collaborators , if any: Nil

**(II) Information about Mr. N Pujara , Managing Director:**

1. Background Details

Mr. N Pujara has been associated with ‘The Champdany Industries Limited’ from 1973 holding different senior level positions and in the year 1993, he was elevated to Executive Director (Marketing). In 1994, he was appointed as Director of this Company and on merger of ‘The Champdany Industries Limited’ with this Company in 2006, he became Executive Director (Marketing) of this Company. Mr. Pujara was promoted to Executive Director with effect from May 30, 2012 to manage the entire affairs of the Company subject to superintendence, control and direction of the Board of Directors of the Company and accordingly, the day-to-day management and administration is vested in him. Thereafter, Mr. N Pujara was re-appointed as Executive Director of the Company with effect from January 1, 2013 for a period of five years. Mr. N. Pujara has been elevated to Managing Director on May 12, 2014 by Board of Directors on the recommendation of Nomination and Remuneration Committee, for the remaining period i.e. from May 12, 2014 to December 31, 2017 subject to approval of the members at the ensuing Annual General Meeting.

2. Past Remuneration & Proposed Remuneration to be paid to Mr. N Pujara, Managing Director :

<b><u>Particulars</u></b>	<b><u>Existing Remuneration</u></b>	<b><u>Proposed Remuneration</u></b>
Salary, Perquisites and Commission	<b>Rs.2,25,000 per month and perquisites not exceeding Rs.50,000 per month but excluding perquisites as specified in Clause 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.</b>	<b>Upto Rs. 84 Lacs per annum or Rs. 7 Lacs per month (inclusive of perquisites) as may be decided by the Board from time to time but excluding perquisites as specified in Section IV of Part II of Schedule V of the Companies Act 2013, and Commission upto 2% of the Net Profit of the company as may be decided by the Board of Directors and/or the Nomination &amp; Remuneration Committee from time to time, subject to the maximum ceiling limit specified in Section 197 read with Schedule V of the Companies Act, 2013.</b>

3. Job Profile & Suitability:

Mr. N Pujara was appointed as a Director in the Company in the year 1994 and in the year 2006, he became the Executive Director (Marketing) on merger of ‘The Champdany Industries Limited’ with the Company. Prior to merger he was working as Executive Director (Marketing) of the merged Company since 1993. In May 2012, he was elevated as Executive Director of the Company with the overall charge of managing day to-day affairs of the Company. Considering his experience and managerial capabilities, the Board is of the view that the revision in Mr. N Pujara’s remuneration will be in the best interest of the Company. Thereafter, Mr. N Pujara was re-appointed as Executive Director of the Company with effect from January 1, 2013, for a period of five years. On May 12, 2014 the Board of Directors of the Company, on recommendation of Nomination & Remuneration Committee, elevated Mr. N Pujara as Managing Director of the Company.

4. Comparative remuneration profile with respect to industry, size of the Company, profile of the position, and person ( in case of expatriates the relevant details with reference to the country of his origin):  
The proposed remuneration of Mr. N Pujara, is in line with the remuneration being paid in the industry to Managing Directors. The proposed remuneration is also justified keeping in view his qualification, relevant

industry experience, size of the Company and current salary structure in the industry for such senior position in any private sector organization. Further, no sitting fees will be paid to him for attending meetings of the Board of Directors or any committee thereof.

5. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :

Mr. N. Pujara holds 3400 equity shares of the Company. Except shareholding, he has no other pecuniary relationship directly or indirectly with the company and its managerial personnel.

### **(III) Other Information**

1. Reasons of loss or inadequate profit :

The Company has faced many challenges in the past few years like shortage of manpower, general slowdown of the economy, higher rate of interest etc. Over and above the jute prices were also volatile thereby affecting the business of the Company. Inadequacy of profits has been mainly due to all these factors.

2. Steps taken or proposed to be taken for improvement :

The Company is exploring new overseas markets /customers to increase exports which will fetch higher realization for the products. The company is also trying to rationalize cost and products mix for better productivity and consequently cost reduction and higher realization. The Company is also making efforts to widen and expand the value added flax products portfolio.

- 3 Expected increase in productivity and profits in measurable terms:

It is expected that steps taken by the Company as above should improve the productivity and profits in the years to come barring unforeseen situation.

The copies of the relevant resolutions of the Nomination & Remuneration Committee and of the Board of Directors of the company are available for inspection at the Registered Office of the Company between 11 A.M. to 2 P.M. on all working days prior to the date of the Annual General Meeting.

In view of the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

### **Item No. 7**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N. Radhakrishnan & Co., Cost Accountants (Firm Reg. No. 000056) as the Cost Auditors to conduct the audit of the Cost records of the company for the financial year ending March 31, 2015 at a remuneration of Rs. 30000/- (i.e. Cost Audit Fees) plus applicable taxes and reimbursement of out of pocket expenses not exceeding Rs. 1000/- p.a.

In accordance with 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 has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel (KMP) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice convening this meeting.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

### **Item No. 8**

The members of the Company at the Annual General Meeting held on September 26, 2006 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings (apart from temporary loans obtained from the Company's banks in the ordinary course of business) over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.100 Crores (**Rupees One Hundred crores**).

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, that is to say reserves not set apart for any specific purpose, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, and rules made thereunder, as set out at Item No.8 of the Notice convening this meeting, to enable the Board of Directors of the company to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Therefore, approval of members is being sought to borrow money upto **Rs. 125 Crores (Rupees One Hundred Twenty Five Crores)** in excess of the aggregate of the paid up share capital and free reserves of the Company as aforesaid.

The Board of Directors therefore recommends the passing of special resolution contained in Item No.8 of the Notice convening this meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of the Notice.

**Item No. 9**

A Special Resolution is required to be passed under Section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors of the Company to sell, lease, mortgage, hypothecate or in any other way charge in favour of the lenders, all or any of the moveable and/or immoveable properties of the Company for securing any loan, guarantee or security availed from lenders.

The Board of Directors therefore recommends the passing of special resolution contained in Item No.9 of the Notice convening this meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 of the Notice.

**Brief Profile of Mr. D.J. Wadhwa seeking re-appointment pursuant to Clause 49 of the Listing Agreement:**

**Date of Birth:** 6<sup>th</sup> September, 1937

**Date of Appointment:** 31<sup>st</sup> May, 2006

**Expertise in specific functional areas:** Industrialist with vast experience in Jute Industry.

**Directorship in other Companies:** West Bengal Multifiber Jute Park Ltd., Jerambhai Management Services Pvt. Ltd., Wadhwa Endowment Management Pvt. Ltd.

**Membership/Chairmanship in other Board Committees:** NIL

**Shareholding as on 31.03.2014:** Equity: 2645642 shares  
2% Preference: 2645642 shares

Registered Office  
25, Princep Street  
Kolkata – 700 072  
Dated: May 30, 2014

By Order of the Board  
Sd/-  
**Swaroop Saha**  
Company Secretary