Stone India



ANNUAL REPORT

2014-15

DUNCAN GOENKA

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the EIGHTY-FIFTH ANNUAL GENERAL MEETING of the shareholders of STONE INDIA LIMITED will be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata– 700017 on Thursday, the 24th September, 2015 at 3.00 P.M. to transact the following items of business :

AS ORDINARY BUSINESSES & AS ORDINARY RESOLUTIONS

1. To receive, consider and adopt the Statement of Profit & Loss and the Cash Flow Statement for the year ended 31st March, 2015, the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Gouri Prasad Goenka (DIN – 00030302), who retires by rotation and being eligible, offers himself for re-appointment.

3. To ratify the appointment of 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** pursuant to Section 139 of the Companies Act, 2013 (the Act) read with the Companies (Audit & Auditors) Rules, 2014 and any other applicable provisions of the Act, as amended from time to time, the appointment of M/s. Lodha & Co. (Firm Registration No. 301051E), Chartered Accountants, as the Statutory Auditor of the Company made at the Eighty-Fourth Annual General Meeting (AGM) of the shareholders of the Company held on 26th September, 2014 with effect from the conclusion of the said AGM till the conclusion of the 87th AGM subject to ratification at the 85th AGM with respect to the Financial Year 2015-16, be and is hereby ratified on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus service tax and reimbursement of out-of-pocket expenses, as may be actually incurred."

AS SPECIAL BUSINESSES

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

   "**RESOLVED THAT** pursuant to Sections 149 & 152 of the Companies Act, 2013, read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the said Act, any other applicable provisions of the said Act and Clause 49 of the Equity Listing Agreement with Stock Exchanges, the consent of the shareholders of the Company be and is hereby accorded to the appointment of Ms. Savita Laxmipathy Acharya (holding Director Identification Number 07038198), who has duly filed with the Company the requisite declaration as per Section 149(7) of the said Act and who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 19th May, 2015 under the powers conferred by Section 161 of the said Act read with Article 88 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder proposing his candidature for the office of Director pursuant to Section 160 of the said Act, as an Independent Director of the Company, whose period of office shall not be liable to be determined by retirement of Directors by rotation, for a period of five years with effect from 19th May, 2015.

   FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any Director or Company Secretary of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, West Bengal"

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

   "**RESOLVED THAT** pursuant to the applicable provisions of Section 152, Chapter XIII and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Schedule V of the Act and subject to such other consents, permissions, sanctions and approvals as may be required from Central Government, the Company hereby accords its approval to the appointment of Mr. Debashis Chakravarty (DIN: 07049659) as the Managing Director & CEO of the Company for a period of three years with effect from 1st December, 2014 on such terms and conditions including remuneration by way of salary and perquisites during the aforesaid period, as set out in the Explanatory Statement annexed to the Notice, provided that in the event of loss or inadequacy of profit in any financial year the aforesaid remuneration shall be considered as a minimum remuneration payable to Mr. Debashis Chakravarty during the currency of his tenure as aforesaid in terms of Schedule V, Part II, Section II of the Companies Act, 2013, subject to the approval of the Central Government and that an Agreement, a draft of which is placed before the Meeting, approved and initialed by the Chairman for the purpose of identification, be entered into with Mr. Debashis Chakravarty as Managing Director, with a liberty to alter, vary and modify the terms and conditions of the said appointment and / or remuneration and / or terms of the Agreement referred to above in such manner as may be agreed between the Board of Directors and Mr. Debashis Chakravarty and as laid down under the Act or any amendment / statutory modifications thereto."

   FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any Director or Company Secretary of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies, West Bengal/ Ministry of Corporate Affairs"

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 Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the shareholders of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, West Bengal, to add the following clauses in the object clause of the Memorandum of Association of the Company:

(29) To engage in the business of designing, development, manufacture, installation, commissioning, maintenance and servicing of Biological Toilet Systems which convert human waste to liquid effluent compatible with environmental standards, to be used either on rental basis or outright sales in villages, slums, exhibition malls, construction sites, disaster management sites, private homes, recreation vehicles, long distance buses etc., wherever there is no septic tank and/or sewerage systems and to design, develop and warehouse moulds/dies/jigs/fixtures etc., required for manufacture and assembly of Biological Toilet Systems and to develop water purification systems using filtration, UV and RO systems to manufacture Zero Discharge Toilets which purify and recycle discharge effluent into flush water.

(30) To engage in the business of Design, Engineering, Development, Manufacturing, Supply, Installation, Testing, Commissioning, Servicing, Maintenance of Half Height Platform Screen Gates and Full Height Platform Screen Doors which will be fitted in stations of Metro / Urban Railway Projects.

(31) To engage in the business of Supply, Installation, Testing, Commissioning, Servicing, Maintenance of Escalators, Elevators and Moving Walkways in Railways / Metro Rail / Urban Rail projects.

(32) To engage in the business of Supply, Installation, Testing, Commissioning of Solar Power Projects and also to carry the business of all kinds of Solar Inverters which are the prime equipment for any Solar Power Plant.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any Director or Company Secretary of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, West Bengal"

By Order of the Board

Place : Kolkata

Date : 12th August, 2015

(Abhijit Majumdar)
Company Secretary and Legal Head

NOTES:

(1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting. 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.

(2) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the items included under Special Notice is annexed hereto and forms part of the notice.

(3) The Register of Members and Share Transfer Books will remain closed from Friday, 18th September, 2015 to Thursday, 24th September, 2015 (both days inclusive).

(4) Pursuant to the provisions of the Companies Act, all unpaid/unclaimed dividends for and upto and including the Company's Financial Year 2006-07 & 2007-08 ended on 31st March, 2007 & 31st March,2008 respectively shall be transferred to the "Investor Education and Protection Fund" in the month of September,2015..

(5) As per SEBI regulations a copy of the PAN Card of the transferee(s) should be furnished along with the physical transfer/transmission of shares.

(6) Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of 7 years is required to be transferred to the "Investor Education and Protection Fund" (IEPF) of the Central Government. Members who have not encashed the dividend warrants for the Financial years 2006-07 & 2007-08 are requested to send their claims to Company's Registrar & Share Transfer Agent, M/s. C. B. Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata-700 019 immediately along with unencashed Dividend Warrants lying with them. It may also be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie in respect thereof.

(7) Mr. Abhijit Majumdar, Company Secretary and Legal Head is the Compliance Officer in terms of Clause 47 of the Listing Agreements with the Stock Exchanges. Members may communicate with the Compliance Officer at the Registered Office address in relation to any query pertaining to their shareholdings.

(8) As per the provisions of the Companies Act, the facility for making nominations is available to Members in respect of their Shares in the Company. Nomination forms can be obtained from M/s. C. B. Management Services Pvt. Ltd., Registrars & Share Transfer Agent (R & T Agent) of the Company, in case they hold their Shares in physical form. If they are holding the Shares in dematerialized form, they may contact with their respective Depositories for such nomination.

(9) Members who hold shares in physical form are requested to inform the R & T Agent, their Income Tax Permanent Account Number (PAN) / General Index Register Number (GIR) if any, allotted to them by the Income Tax Authorities.

(10) Members holding shares in physical form are requested to notify changes in their addresses, if any, quoting their folio numbers to the R & T Agent of the Company.

(11) Members holding shares under multiple folios are requested to submit their applications to R & T Agent, for consolidation of folios into single folio.

(12) The Register of Directors and Key Managerial Personnel and their Shareholding, if any, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

(13) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Reports at the meeting. **Members are requested to provide their E-mail address to the Company for quicker dispatch of information and documents**.

(14) Members desiring any relevant information on the annual accounts of the Company are requested to write to the Company well in advance to ensure that such requests reach the Company at least ten (10) days before the Annual General Meeting, so as to enable the Company to keep the information ready.

(15) In terms of circular being nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 issued by the Ministry of Corporate Affairs, Govt. of India for Green Initiatives in the Corporate Governance, the members desiring to receive notice/ documents etc., from the Company through electronic mode instead of physical copy may register their e-mail address and changes therein from time to time with the Company. A request letter in this regard giving details of e-mail address may be sent at the Registered Office/ RTA address/info@stoneindia.co.in.

(16) At the ensuing Annual General Meeting of the Company, Mr. Gouri Prasad Goenka, Director, will retire by rotation and being eligible, offered himself for reappointment.

(17) Brief profile of the aforesaid Director is annexed.

(18) 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, as amended by Companies (Management and Administration) Rules, 2015 and clause 35 B of the listing agreement, the Company is please to provide members facility to exercise their right to vote at the 85th Annual General Meeting (AGM) by electronic means and the business may be transacted through e voting services provided by Central Depository Services Limited (CDSL) which includes remote e-voting.
ii.			The instructions for shareholders voting electronically are as under:
	i)		The voting period begins on September 21, 2015 at 9.00 A.M. and ends on September, 23, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut- off date (i.e. September 17, 2015), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through polling paper shall be made available at the AGM on September 24, 2015 and the members as on "cut-off date" i.e. September, 17, 2015, attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper/polling paper.
	(ii)		The shareholders should log on to the e-voting website www. evotingindia.com during the voting period.
	(iii)		Click on "Shareholder" tab.
	(iv)		Now Enter your User ID a. For CDSL: 16 digits beneficiary ID, b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID, c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

	(v)		Next enter the Image Verification as displayed and Click on Login.
	(vi)		If you are holding shares in demat form and had logged on to www. evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
	(vii)		**If you are a first time user follow the steps given below :**
			For Members holding shares in Demat Form and Physical Form
		PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number appearing on the enclosed ***Attendance Slip cum Electronic Voting Particulars*** in the PAN field.
		DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
		Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the dividend Bank details field as mentioned in instruction (vii).
	(viii)		After entering these details appropriately, click on "SUBMIT" tab.
	(ix)		Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
	(x)		For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
	(xi)		Click on the EVSN for the relevant < Company Name> on which you choose to vote.
	(xii)		On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting . Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
	(xiii)		Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
	(xiv)		After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
	(xv)		Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
	(xvi)		You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
	(xvii)		If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
	(xviii)		**Note for Institutional Shareholders** ● Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates. ● A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting @cdslindia.com. ● After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on. ● The list of accounts should be mailed to helfdesk.evoting @cdslindia.com and on approval of the accounts they would be able to cast their vote. ● A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

	(xix)		In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at www. evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or rta@cbmsl.com
iii			Any person who acquires shares and became Member after dispatch of Notice of 85th AGM and holds shares as of the cut-off date of September 17, 2015 may obtain the sequence number for remote e-voting by sending a request to the Company's RTA at rta@cbmsl.com
iv			Mr. Atul Kumar Labh, Practicing Company Secretary (FCS 4848/CP3238) and Proprietor of M/s. A.K.Labh & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process to be carried out at the AGM in a fair and transparent manner.
v			The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut- off date. In case of joint holders, only one of the joint holders may cast his vote.
vi			Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through ballot paper. The Member who have already cast their vote by remote e voting prior to the meeting and attending the meeting shall not be entitled to cast their vote again.
vii			The Results on the resolutions will be declared not later than three days of conclusion of the AGM i.e. September 24, 2015. The declared results along with the Scrutinizer's Report will be available on the Company's website at www.stoneindia.co.in and on the website of CDSL at www.evotingindia.com and will also be forwarded to the Stock Exchange(s) where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of AGM.

19. Members who do not have any access to e-voting, may requisite a Physical Ballot Form on the day of the Annual General Meeting at the venue from the Registrar & Share Transfer Agent of the Company. Members are required to fill the Physical Ballot Form and drop in the ballot box kept in the hall for the purpose. Unsigned / wrongly signed, incomplete or incorrectly ticked forms shall be rejected. The Scrutinizer's decision on the validity of the form will be final. Members are required to vote either through the electronic system or through physical ballot and not in any other mode. In the event of Members casting votes through both the processes, the votes in the electronic system will be considered only.

20. Attendance Slip and Proxy Form in the prescribed format are being attached to this Notice of the 85th Annual General Meeting for the convenience of the shareholders.

Request to the Members:

1. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for ensuring easy identification of attendance at the Meeting.

2. For convenience of Members, Attendance Slip is attached to the Proxy Form. Members are requested to fill in and affix their signatures at the space provided therein and handover the Attendance Slip at the entrance of the place of meeting. Proxy/Representative of a member should mark on the Attendance Slip as "Proxy" or "Representative", as the case may be.

Registered Office:
16, Taratalla Road
Kolkata 700 088

Date: 12th August, 2015

By Order of the Board
For Stone India Limited

(Abhijit Majumdar)
Company Secretary and Legal Head

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business to be incorporated in the Notice convening the 85th Annual General Meeting of the Company, to be held on 24th September, 2015

Item No. 4

As per the provision of Section 149(1) of the Companies Act, 2013, (the Act), the Company should have at least one woman Director. Accordingly, pursuant to the provisions contained in Article 88 of the Articles of Association of the Company and also Section 161 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company, based on the recommendation of the Nomination & Remuneration Committee has appointed Ms. Savita Laxmipathy Acharya (holding Director Identification Number 07038198), as an Additional Independent Director of the Company on 19th May,2015. According to the provisions of Article 88 and the aforesaid Section, she will hold office only upto the date of this Annual General Meeting (AGM). The Company has received a Notice in writing from a member along with a deposit of requisite amount under Section 160 of the Act, proposing the candidature of Ms. Savita Laxmipathy Acharya (holding Director Identification Number 07038198), requested her appointment in the office of Director of the Company.

Ms. Savita. L. Acharya is a member of the Institute of Chartered Accountants of India and has rich experience in the field of audit, taxation and Finance. She has worked in organizations like Deloitte, UTI, Mafatlals among other Brand names. She is currently providing consultancy services in ERP, BI, Financial Advisory, Business Process Re- engineering and corporate advisory to the organizations. Academically she has achieved heights in professional education. She is a rare combination of CA as well as MBA apart from other certifications like SAP FI/CO..

Keeping in view her vast expertise and knowledge, which is a combination of grass route level knowledge, academic expertise and administrative ability it will be in the interest of the Company that Ms. Savita Laxmipathy Acharya is appointed as an Independent Director of the Company. Ms. Savita Laxmipathy Acharya shall not be liable for retirement by rotation and shall hold office for a period of 5 years with effect from 19th May, 2015.

Copy of the letter issued to Ms. Savita Laxmipathy Acharya upon her appointment as an Independent Director, containing the terms and conditions of the appointment shall be open for inspection at the Registered Office of the Company by any member of the Company at the Registered Office during normal business hours on any working day except Saturday & Sunday, prior to the date of the Meeting and will also be available for inspection during the Meeting.

Members are further requested to note that Ms. Savita Laxmipathy Acharya has given declaration that she is not disqualified for becoming a Director u/s 164(2) of the Act and her consent to hold office as Director. Ms. Savita Laxmipathy Acharya does not hold by herself or by any other person on a beneficial basis, any shares in the Company as per declaration given by her.

Details in respect of Ms. Savita Laxmipathy Acharya who is proposed to be appointed as an Independent Director, is furnished in the Annexure of this Notice.

Your Board firmly believes that owing to the rich and varied experience, her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Savita Laxmipathy Acharya as an Independent Director. Accordingly, the Board recommends the resolution for the appointment of Ms. Savita Laxmipathy Acharya as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Savita Laxmipathy Acharya and her relatives to the extent of their shareholding interest, if any, in the Company, none of the 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.4.

Item No.5

Mr. Debashis Chakravarty had been appointed as the Managing Director and CEO of the Company for a period of three years with effect from 1st December, 2014 with the approval of the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 1st December, 2014 in terms of Section 152 and Chapter XIII of the Companies Act, 2013 ('the Act'). The remuneration payable to Mr. Debashis Chakravarty during his tenure as Managing Director and CEO of the Company was also approved by the Board of Directors at its meeting held on the same day, based on the recommendation of Nomination & Remuneration Committee at its meeting held on 01.12.2014.

Accordingly, a separate Agreement is to be entered into between the Company and Mr. Debashis Chakravarty specifying the remuneration effective from 1st December, 2014 and also the terms and conditions of his appointment as Managing Director and CEO, a draft of which will be available for inspection by the members at the Registered Office during normal business hours on any working day except Saturday & Sunday, prior to the date of the Meeting and will also be available for inspection during the Meeting. An extract of the remuneration effective from 1st December, 2014 as well as the terms and conditions of the appointment of Debashis Chakravarty contained in the aforesaid Agreement is set out below for consideration of the member.

Notwithstanding anything contained elsewhere, Mr. Debashis Chakravarty during the currency of his tenure as Managing Director and CEO, for a period of three years effective from 1st December, 2014 shall be entitled to the below mentioned remuneration which, in the event of inadequacy or absence of profit ,also be considered as the minimum remuneration payable to Mr. Debashis Chakravarty in terms of Schedule V, Part II, Section II of the Act, subject to the approval of the Central Government.

PART 'A'

Sl. No.	Particulars of Remuneration	1st December,2014 to 30th November 2015 (Rs).	1st December, 2015 to 30th November 2016 (Rs).	1st December,2016 to 30th November 2017 (Rs).
1	Salary & Performance Bonus	51,20,000	51,20,000	51,20,000
2	Perquisites(HRA/ Special Allow /LTA/ Medical/ Club Fees, etc.)	72,33,900	72,33,900	72,33,900
	TOTAL	**1,23,53,900**	**1,23,53,900**	**1,23,53,900**

PART 'B'

Besides, Mr. Debashis Chakravarty shall also be entitled to the Company's contribution to Provident Fund & Gratuity, Medical Insurance Cover for self & family upto Rs. 4 Lakhs per annum, Personal Accident Insurance Cover of self for Rs. 30 lakhs and encashment of leave in accordance with the Rules of the Company.

PART 'C'

(a) Provisions of car for use on Company's business and telephone facilities at the residence will not be considered as perquisites provided that personal long distance calls shall be billed by the Company to him.

(b) The Managing Director shall be entitled to earned Privilege Leave on full pay and allowances as per the rules of the Company but not more than twenty four days leave for every twelve months of service.

(c) The Managing Director shall be entitled to reimbursement of entertainment & traveling expenses and mobile phone charges actually and properly incurred by him in connection with the business of the Company.

(d) The Managing Director shall not, as long as he functions as the Managing Director of the Company, be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.

Either the Company or the Managing Director may terminate the appointment at any time by giving to the other party not less than three months' notice in writing provided that either party may in the alternative terminate this appointment by paying to the other three months' basic salary with special allowance in lieu of such notice.

The proposed remuneration which is also to be considered as minimum remuneration in the event of absence or inadequacy of profit in any year, being in excess of the limit for minimum remuneration laid down in Clause A of Section II of Part II of Schedule V of the Act, Central Government approval is to be obtained for payment of proposed minimum remuneration to Mr. Debashis Chakravarty during the tenure of his office as Managing Director in terms of Schedule V, Part II, Section II of the Act.

However, the reappointment of Mr. Debashis Chakravarty as Managing Director and the remuneration payable to him require the approval of the Company at the ensuing AGM by a Special Resolution in terms of Schedule V, Part II, Section II of the Act. The resolution set out in Item No.5 of the accompanying Notice is intended for the purpose.

Except Mr. Debashis Chakravarty and his relatives to the extent of their shareholding interest, if any, in the Company, none of the 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.5. The Board recommended that the resolution set out in the Item No.5 of the Notice convening the meeting, be approved by the members. The above may please be considered as an abstract of the draft Agreement and Memorandum of Interest u/s 190 of the Act.

Statement forming part of the Explanatory Statement as required under Section II(B)(iv) of Part II of Schedule V to the Companies Act, 2013

1. GENERAL INFORMATION

[As required under Section II(B)(iv)(I) Part II of Schedule V in respect of Mr. Debashis Chakravarty, Managing Director& CEO]

i) Nature of Industry

The Company operates in Engineering Sector and caters to the need of Core Sector Industries like Indian Railways & Metro Railways. It manufactures Pantographs, Air Brakes, Slack Adjusters, Platform Screen Doors etc. The Company has also ventured in to the business of Bio Toilets and Solar Inverters.

ii) Date of Commencement of Commercial Production

The Company was incorporated on 15th January, 1931. Commercial Production has already commenced.

iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable.

iv) Financial Performance based on given Indicators :

(Rs.in lacs)

Financial Parameters	Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
(a) Turnover	**8500.77**	10376.44	9690.73	10012.64	9268.45
(b) Net Profit/(loss)-u/s198	**(1082.51)**	(553.80)	(304.05)	320.28	533.63
(c) Net Profit/(Loss) as per Profit & Loss Account	**(528.71)**	(249.72)	(304.05)	320.28	455.90
(d) Amount of Dividend Paid/ Payable	**Nil**	Nil	Nil	Nil	Nil
(e) Rate of Dividend	**N.A.**	N.A.	N.A.	N.A.	N.A.

v) Export Performance and Net Foreign Exchange

The Company has wide experience in dealing with export markets in various countries of Europe, South-East Asia, Middle East and other neighboring countries. The export performances for last 5 years are given below :

(Rs.in lacs)

Years	**2014-15**	2013-14	2012-13	2011-12	2010-11
Export Performance	**516.11**	224.07	259.83	57.41	72.68

vi) Foreign Investments or Collaborators, if any

The Company entered into a number of technical collaborations with the leading Companies in difference areas of operation some of which are summarized below :

COLLABORATORS	PRODUCTS	NATURE	DATE OF EXECUTION
Jiangsu RailTeco Industrial Co. Ltd, China	Disk Brake for LHB Coaches	MOU	10.12.2013
MZT HEPOS, Macedonia	Trade Brake Unit (TBU)	MOU	15.12.2006
MZT HEPOS, Macedonia	REL-10	MOU	22.03.2006
RailRunner, USA	RailRunner Products & Technology	MOU	18.08.2008
Sumitomo Electrict Industries Ltd, Japan	Air Spring	Licence Agreement	05.11.2007
SMA Technologies AG, Germany	Converter & Inverter	Project & Licence Agreement	27.08.2007
Unique Manufacturing & Marketing, U.S.A	Biological Toilet Systems	MOU	28.07.2015
Shenyang Brilliant Elevator Co. Ltd, China	Elevators & Escalators	MOU	28.04.2014
NRT & Co., South Korea	Design, Manufacture, supply installation, testing & commissioning of Half-Heights Platform Gates for DMRC	Agreement for Contract Execution	20.02.2014
Westinghouse Air Brake Technologies Corporation, USA	Air Dryer	License Agreement	03.03.2005
G & Z Enterprises Ltd., Canada	Supply and/or providing technology for Pantographs for Metro/ urban Railway Projects	MOU	03.08.2015

II. INFORMATION ABOUT THE APPOINTEE

Mr. Debashis Chakravarty, Managing Director & CEO

i) Background Details

Mr. Debashis Chakravarty, aged about 52 years, a Graduate in Mechanical Engineering from Birla Institute of Technology, Mesra, Ranchi joined this Company as Managing Director & CEO on 1st December,2014. He has also completed "Business Leaders' Program" from Institute of Business Management, Calcutta. He was having a rich experience of more than 29 years in reputed manufacturing industries in India and aboard like Tata Motors, Bajaj Tempo Limited, Carraro India Limited, P.T. Texmaco, Indonesia, Greaves Cotton Limited, Kirloskar Pneumatic Company Limited etc. Immediately prior to joining our Company, he was associated with Goodyear Tyres South East Asia Private Limited as Director(Manufacturing).

Mr. Debashis Chakravarty was appointed as Managing Director and CEO of the Company for a period of three years w.e.f. 1st December, 2014 which position he holds as on date.

ii) Past Remuneration

(Rs.in lacs)

Financial Year	Salary	Perquisites	Commission	Retirement Benefits	Total
2010-11	N.A	N.A	N.A	N.A	N.A
2011-12	N.A	N.A	N.A	N.A	N.A
2012-13	N.A	N.A	N.A	N.A	N.A
2013-14	N.A	N.A	N.A	N.A	N.A
2014-15 (From 1-12-14 to 31-03-15)	33.60	0.07	Nil	Nil	33.67

iii) Recognition or Awards/Achievement

The achievements of Mr. Chakravarty in his past assignments are narrated below:-

He was instrumental in promotion of Small Group Activities in Tata Motors and got the 2nd Place in CII's Annual National Competition on Quality Circles in 1987. Did remarkable process improvements to reduce wastages and was recognized with Best Suggestion Award by Tata Motors in 1990.

During his tenure with Parisudh Sadhan Yantra Pvt Ltd, in Ghaziabad, did a remarkable job in mapping the entire quality system and getting the entire company certified for ISO 9001 Quality system by DNV in 1994.

Was instrumental in setting up the Entire Quality Function in a JV company in Indonesia with ZF of Germany as a partner. The entire ZF Quality system was introduced, infrastructure and manpower was inducted in Indonesia to develop the total facility and within a span of two years the development was done.

During the tenure with Carraro Spa of Italy, because of remarkable performance in Quality function, a dual role of handling Quality Assurance and After Sales Function for Asian region was given. Was instrumental in developing the Supplier Quality Assurance System and Manual for Carraro India operations. Achieved the unique feat of localization of Transmission upto 90% within a span of 2 years time.

Had the opportunity of working with Greaves Cotton for Engine manufacturing and was recognized for a major design change , to introduce Moly coated liners for Single Cylinder engines , which resulted in reduction of Lube oil consumption and enhanced Life of cylinder from 25000kms to 70000 kms. Was identified as a high performer and given accelerated promotion to Group General Manager for handling 3 manufacturing plants of Greaves Cotton.

Worked as the Strategic Business Unit Head with Kirloskar Pneumatic Co ltd in Pune and was heading the Transmission Division. Had turned around the Division within one and a half years and had brought the operations from Cash negative to positive. Manufacturing throughput time of Traction Gears was reduced from 120 days to 25 days. Drastic productivity improvement was achieved in Gear manufacturing which was of the tune of 80% improvement . Business with 6 years backlog orders with LD was transformed to business with Zero LD and 100% on time delivery. Developed the entire Vertical of Industrial Gearbox from scratch . Was instrumental in getting export orders from Moventas of Finland and Trushller of Germany for Gears and Shafts. Also was instrumental in signing the Technology agreement with Welter Gears of Germany for development of Vertical Mill Gearbox. Transformed the Transmission Division from a loss making unit to an Unit with an EBIDTA of 15% within 2 years time .

iv) Job profile and his suitability

Mr. Debashis Chakravarty as Managing Director & CEO on his proposed appointment with effect from 1st December, 2014 will continue to be responsible for the entire management of the business and affairs of the Company. Mr. Chakravarty will also keep on performing other duties and services as may be entrusted to him from time to time by the Board of Directors.

v) Remuneration Proposed

Subject to the provision of the Companies Act, 2013 ('the Act'), Mr. Debashis Chakravarty during the currency of his tenure as Managing Director & CEO for a period of three years from 1st December, 2014 shall be entitled to the following remuneration :

Notwithstanding anything stated elsewhere, Mr. Debashis Chakravarty during the currency of his tenure as Managing Director & CEO, shall subject to the approval of the Central Government , be entitled to the following remuneration by way of salary and perquisites, irrespective of the condition that the said remuneration shall exceed the ceiling on remuneration under Section 197 of the Act and also minimum remuneration, where the Company has no profits or its profits are inadequate.