

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Thirty Third** Annual General Meeting of the Members of Nelcast Limited will be held on Thursday, the 6<sup>th</sup> August 2015 at 11.00 AM at P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101, Andhra Pradesh to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend for the Financial Year 2014-15.
3. To appoint a Director in the place of Ms. P. Divya (holding DIN 05158352), who retires by rotation and being eligible offers herself for re-appointment.
4. 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. REDDY A V & CO (Firm Registration No.003256S), Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office for the term of two years from the conclusion of this Annual General Meeting until the conclusion of the Thirty Fifth Annual General Meeting subject to ratification at every Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and 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) and subject to any other approval as may be required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. P. Deepak (holding DIN 02785326) as Managing Director of the Company for a period of three years from 1<sup>st</sup> July 2015 to 30<sup>th</sup> June 2018 and for the payment of his remuneration, allowances and perquisites as detailed below and as approved at the meeting of the Board of Directors and recommended by the Nomination & Remuneration Committee."

Period : 3 Years from 01.07.2015 to 30.06.2018

Salary : Basic Salary of ₹ 3,50,000/- per month

Special Allowance of ₹ 1,00,000/- per month

#### Perquisites:

- (i) Housing: Free furnished residential accommodation, owned or leased out by the Company or House Rent Allowance subject to a ceiling of 50% of the Basic Salary.
- (ii) Medical Expenses for Self & Family both in India & outside India, including medical insurance premium.

- (iii) Personal Accident Insurance: Personal Accident insurance premium shall not exceed ₹ 10,000/- per annum.
- (iv) Contribution to funds: Company's contribution towards Provident Fund and Superannuation Fund will be as per the scheme of the Company. Gratuity as per the rules of the Company, not exceeding half a month's salary for each completed year of service.
- (v) Earned Leave: On full pay and allowances as per rules of the Company, but not exceeding half a month's salary per year.
- (vi) Car shall be provided for use on Company's business and telephone at residence for business purpose.
- (vii) Payment of fees, subscription and other incidental charges to clubs.

A special incentive of ₹ 30 lakhs per annum shall also be paid.

Increment of not more than 25% per annum over the previous year.

**Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid a minimum remuneration as specified above and same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

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

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

"RESOLVED THAT pursuant to the provisions of Section 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), payment of remuneration of ₹ 1,20,000/- (Rupees One lakh Twenty Thousand Only) (apart from re-imbursement of out-of-pocket expenses, if any) to M/s. Jayaram & Associates, Cost Auditors for conducting the cost audit of the Company for the financial year ending 31<sup>st</sup> March, 2016, be and is hereby approved and ratified."

**By Order of the Board**

**S.K. Sivakumar**

*Head - Group Finance &  
Company Secretary*

Place : Chennai

Date : 29<sup>th</sup> May 2015

**Registered Office**

No. 34, Industrial Estate,  
Gudur, Andhra Pradesh - 524 101.  
CIN: L27109AP1982PLC003518

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY(S) NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The dividend of ₹ 0.70/- per share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2015 and subject to the approval of the shareholders at the ensuing Annual General Meeting.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. The Company has notified closure of Register of Members and Share Transfer Books from 1<sup>st</sup> August 2015 to 6<sup>th</sup> August 2015 (both days inclusive).
6. The proxy form duly completed should be deposited at the Registered Office of the Company / Office of the Share Transfer Agents not later than 48 hours before the commencement of the meeting.
7. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
8. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
9. Members are requested to update their preferred e-mail ids with the Depository Participants / Company's Registrar and Transfer Agents, which will be used for the purpose of sending the official documents through e-mail in future. The RTA address is given below:

M/s. Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai - 400 072.  
Phone: 022 - 40430200 Fax: 022 - 28475207  
E-mail: investor@bigshareonline.com

10. Corporate Members / FIIs / Financial Institutions intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution / such other documents authorising their representatives to attend and vote at the Annual General Meeting well in advance.
11. 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 the 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.
12. 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 Annual General Meeting.
13. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Sundays, between 11 AM and 1 PM up to the date of the Meeting.
14. Pursuant to the provisions of section 205A of the Companies Act, 1956, and Section 124 read with Section 125 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. Members who have not encashed their dividend are requested to contact the Company's Registrar and Share Transfer Agent for payment in respect of the unclaimed dividend. The amount so transferred cannot be claimed either from the Company or from the Fund.
15. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed dividend amounts referred to under Section 205C(2) of the Companies Act, 1956 on its website and also Ministry of Corporate Affairs (MCA) website in the relevant form every year. For the financial year ended 31<sup>st</sup> March, 2014, the information on unclaimed dividend for the years from 2007-08 to 2012-13 was filed with the Ministry of Corporate Affairs and hosted on the website of the Company within the statutory time.
16. Members may also note that the Notice of the 33<sup>rd</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.nelcast.com](http://www.nelcast.com) for their download. 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.

#### 17. Re-Appointment of Directors:

At the forthcoming Annual General Meeting, Ms. P. Divya, Director retires by rotation and being eligible offers herself for re-appointment. As per the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the information or details pertaining to her is furnished.

##### **Details of Director seeking Re-Appointment at the Annual General Meeting (in pursuance to clause 49 of the Listing Agreement)**

Ms. P. Divya aged about 31 years, holds an MS in Networked Information Systems from Stevens Institute of Technology, USA and has since worked at Deutsche Bank, USA holding various roles in Global Technology & Operations and Global Head of four departments, and mainly specializing in Change Management & Governance.

##### **Details of other Directorships/Committee Memberships held by her:**

| Directorship                          | Committee Membership  |
|---------------------------------------|---|
| NC Energy Limited                     | —   |
| Ponnas Infrastructure Private Limited | —   |
| Dodla Dairy Limited                   | Audit Committee,<br>Nomination & Remuneration Committee,<br>Corporate Social Responsibility Committee |

Ms. P. Divya holds 16154249 shares in the Company.

#### 18. Voting through electronic means:

- In compliance with provisions of Section 108 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Shareholders to cast their votes electronically.
- Mr. P.R. Lakshmi Narayanan, Practising Company Secretary, Chennai has been appointed as the Scrutinizer for conducting the E-Voting Process / Postal Ballot Process in a fair and transparent manner.

The instructions for Shareholders for e-Voting are as under:

- In case of Shareholders' receiving e-mail from NSDL:
  - Open e-mail and open PDF file viz., "Nelcast e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-Voting. Please note that the password is an initial password.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>

- iii. Click on Shareholder - Login.
  - iv. Enter the user id and password as initial password noted in step (i) above. Click Login.
  - v. Password change menu appears. Change the password 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 e-Voting Cycles.
  - vii. Select "EVEN" of Nelcast 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 resolutions, you will not be allowed to modify your vote.
  - xii. For the votes to be considered valid, then institutional shareholders (i.e., other than individuals, HUF, NRI, etc.,) are required to send scanned copy (PDF/JPEG 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 at [scrutinizernelcast@gmail.com](mailto:scrutinizernelcast@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case of Shareholders' receiving the physical copy of the Notice of AGM:
- i. Initial password is provided as below at the bottom of the Postal Ballot Form.
- | EVEN | USER ID | PASSWORD/PIN |
|------|---------|--------------|
|      |         |              |
- ii. Please follow all steps from S. No. (ii) to S. No. (xii) above, to cast vote.
- C. In case of any queries with respect to e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- D. 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.
- E. 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). Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.

- F. The e-voting period for e-Voting module commences on 3<sup>rd</sup> August 2015 @ 9.00 AM and ends on 5<sup>th</sup> August 2015 @ 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) of 30<sup>th</sup> July 2015, 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.
- G. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 30<sup>th</sup> July 2015.
- H. Member who have already exercised their voting through Remote e-voting can attend the Annual General Meeting but cannot vote again.
- I. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e., 30<sup>th</sup> July 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Toll Free no.: 1800-222-990.
- J. The Scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- K. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website [www.nelcast.com](http://www.nelcast.com) and on the website of NSDL within 2 days of passing of the Resolutions at the 33<sup>rd</sup> AGM of the Company and communicated to the stock exchanges where the shares of the Company are listed.



## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 and 6 of the accompanying Notice dated 29<sup>th</sup> May 2015.

#### **Item No. 5**

Mr. P. Deepak, Managing Director has been holding office since 1<sup>st</sup> July 2012 and his appointment is being expired on 30<sup>th</sup> June 2015.

The Nomination & Remuneration Committee at its meeting held on 29<sup>th</sup> May 2015 and the Board of Directors at its meeting held on 29<sup>th</sup> May 2015 has re-appointed Mr. P. Deepak as Managing Director for a further period of three years with effect from 1<sup>st</sup> July 2015 to 30<sup>th</sup> June 2018 subject to the approval of members at the Annual General Meeting of the Company.

The approval of the members is being sought for the re-appointment of Mr. P. Deepak as Managing Director of the Company for a period of three years effective from 1<sup>st</sup> July 2015.

Further the members are requested to note that the re-appointment of Mr. P. Deepak as the Managing Director is in compliance with the sections 196, 197, 203 and the Rules made thereunder read with Schedule V of the Companies Act, 2013 and other relevant and applicable provisions if any of the Companies Act, 2013 and subject to the approval of members at the General Meeting of Company. In light of the said provisions, you are requested to accord your approval to the reappointment of Mr. P. Deepak as Managing Director on the above terms and conditions.

#### **Minimum Remuneration:**

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals if any, pay Mr. P. Deepak remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V of the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. P. Deepak.

Mr. P. Deepak aged about 30 years, holds a MBA from the Kellogg School of Management, a MS in Engineering Management, a BS in Manufacturing and Design Engineering and a BS in Materials Science and Engineering from Northwestern University, USA. Mr. P. Deepak has over 7 years of industrial experience in different areas including work experience at M/s. Federal-Mogul Corp., USA as a Manufacturing Engineer, M/s. Nelcast USA Inc. as a Manager – Strategy & Planning and M/s. Deere & Company as a Project Manager. He has been the Managing Director of Nelcast Limited since 2012. He also serves as the Chairman of Corporate Social Responsibility Committee of the Company.

Mr. P. Deepak holds 48595405 shares in the Company. Details other Directorships/Committee Memberships held by him.



**Details of other Directorships/Committee Memberships held by him:**

| Directorship                          | Committee Membership |
|---------------------------------------|----------------------|
| NC Energy Limited                     | –                    |
| Ponnas Infrastructure Private Limited | –                    |

Copy of the Agreement referred to in the Resolution would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

**The statement as required under Para A of Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the Item No. 5 is as follows:**

**I. General Information:**

- (1) Nature of Industry: Manufacturer of Iron Castings.
- (2) Date or expected date of commencement of commercial production: Existing Company already commenced from 1985.
- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Existing Company, Not Applicable.
- (4) Financial performance based on given indicators: (₹ in Cr.)

| Particulars            | 2014-15 | 2013-14 | 2012-13 |
|------------------------|---------|---------|---------|
| Net Sales              | 544.89  | 515.16  | 507.60  |
| PBDT                   | 42.20   | 49.13   | 31.81   |
| Depreciation           | 12.65   | 12.84   | 11.11   |
| PBT                    | 29.54   | 36.29   | 20.70   |
| Provision for Taxation | 7.60    | 13.80   | 6.79    |
| PAT                    | 21.94   | 22.49   | 13.91   |

- (5) Foreign Investment of Collaborators, if any: Nil

## Information about the Appointee Mr. P. Deepak

**(1) Background details:**

Mr. P. Deepak aged about 30 years, holds a MBA from the Kellogg School of Management, a MS in Engineering Management, a BS in Manufacturing and Design Engineering and a BS in Materials Science and Engineering from Northwestern University, USA. Mr. P. Deepak has over 7 years of industrial experience in different areas including work experience at M/s. Federal-Mogul Corp., USA as a Manufacturing Engineer, M/s. Nelcast USA Inc. as a Manager – Strategy & Planning and M/s. Deere & Company as a Project Manager. He has been the Managing Director of Nelcast Limited since 2012. He also serves as the Chairman of Corporate Social Responsibility Committee of the Company.

**(2) Past remuneration:**

Upto to 30<sup>th</sup> June 2015, Mr. P. Deepak was paid the same salary, perquisite and allowances as proposed now.

**(3) Recognition or awards:** Nil

**(4) Job profile and his suitability:**

Mr. P. Deepak is involved in the overall management of the Company as CEO and has key role in running the affairs of the Company including Planning, Budgeting, Marketing, and Liasioning with the Customers, Investors and Corporate affairs. He possess sound technical knowledge of foundry operations and technically very strong. As a Managing Director he has played a prominent role in the growth of the Company.

**(5) Remuneration proposed:**

As mentioned in the Resolution proposed at Item No. 5 of the Notice.

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business. Taking in to account the turnover of the Company and responsibilities of Mr. P. Deepak, the proposed remuneration to the appointee is reasonable in the industry.

**(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mr. P. Deepak is part of promoter group, holding 48595405 shares and related to Ms. P. Divya, Director.