

## TEXMACO RAIL & ENGINEERING LIMITED

CIN: L29261WB1998PLC087404

Registered Office: Belgharia, Kolkata - 700056

Phone: (033) 2569 1500, Fax: (033) 2541 2448

Website: [www.texmaco.in](http://www.texmaco.in), Email: [texrail\\_cs@texmaco.in](mailto:texrail_cs@texmaco.in)

### NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twenty-Second Annual General Meeting of **TEXMACO RAIL & ENGINEERING LIMITED** will be held on **Wednesday, 30<sup>th</sup> September 2020 at 2:00 p.m. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')**, to transact the following businesses.

The venue of the Meeting shall be deemed to be the Registered Office of the Company at Belgharia, Kolkata - 700056.

#### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements including the Audited Consolidated Financial Statement of the Company for the financial year ended 31<sup>st</sup> March 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March 2020.
3. To appoint a Director in place of Mr. Akshay Poddar (DIN: 00008686), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

##### Item No. 4

**To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution: -**

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs. DGM & Associates, Cost Accountants (Firm Registration No. 000038), appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the Audit of the Cost Records of the Company for the financial year ending 31<sup>st</sup> March 2021, be paid a remuneration of ₹ 1,85,000/- (Rupees One Lakh Eighty Five Thousand) plus applicable taxes and out-of-pocket expenses."

##### Item No. 5

**To consider and if thought fit, to pass the following Resolution as a Special Resolution: -**

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Saroj Kumar Poddar (DIN: 00008654), in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as the Executive Director and the Chairman of the Company, not liable to retire by rotation, for a period of 5 (five) years with effect from 25<sup>th</sup> September 2020, on such terms and conditions as approved by the Board of Directors and as stated in the Explanatory Statement annexed hereto."

##### Item No. 6

**To consider and if thought fit, to pass the following Resolution as a Special Resolution: -**

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in supersession to the Resolution passed at the Twenty-First Annual General Meeting held on 9<sup>th</sup> September 2019, Mr. Indrajit Mookerjee (DIN: 01419627), who was appointed as an Independent Director of the Company, be and is hereby re-designated as the Managing Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from 2<sup>nd</sup> April 2020, on such terms and conditions as approved by the Board of Directors and as stated in the Explanatory Statement annexed hereto."

#### Item No. 7

##### To consider and if thought fit, to pass the following Resolution as a Special Resolution: -

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Udyavar Vittal Kamath (DIN: 00648897) who was appointed as an Additional Director of the Company by the Board of Directors effective 1<sup>st</sup> August 2020 in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed as Executive Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from 1<sup>st</sup> August 2020, on such terms and conditions as approved by the Board of Directors and as stated in the Explanatory Statement annexed hereto."

#### Item No. 8

##### To consider and if thought fit, to pass the following Resolution as a Special Resolution: -

"RESOLVED that pursuant to the provisions of Sections 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed

thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded to the remuneration paid in excess of the limits prescribed under the provisions of the Act read with Schedule V, to the Executive Directors, being the remuneration agreed to be paid to them in normal course as stated in the Explanatory Statement annexed hereto."

#### Item No. 9

##### To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded to the waiver of the recovery of commission payable / paid to the Non-executive Directors for the financial year 2019-20, being the commission agreed to be paid to them as approved earlier by the Members as stated in the Explanatory Statement annexed hereto."

Belgharia  
Kolkata - 700056  
Dated: 17<sup>th</sup> June 2020

By the order of the Board  
**Ravi Varma**  
Company Secretary

## NOTES:

1. In view of the ongoing COVID-19 pandemic and the need to ensure social distancing to avoid the spread of COVID-19, the Ministry of Corporate Affairs ('MCA') vide General Circular Nos. 14/2020, 17/2020, 20/2020 and 22/2020, (hereinafter collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 ('SEBI Circular') have permitted the companies to conduct the Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') during the calendar year 2020, in compliance with the applicable provisions of the Companies Act, 2013 ('Act') & the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Accordingly, the AGM of the Company is being conducted through VC / OAVM facility.

As allowed by the MCA Circulars, participation of Members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

The Company has availed the services of M/s KFin Technologies Private Limited, who is also the Registrar & Share Transfer Agent ('RTA') of the Company, ('KFin'), for providing remote e-voting facility & e-voting facility during the AGM and to conduct the AGM through VC.

**Members may note that VC / OAVM facility provided by KFin allows participation of 1000 Members on first-come-first-served basis.**

**Large Members (i.e. Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. will not be subject to the aforesaid restriction for attending the AGM.**

The instructions for participation by Members are given in the subsequent paragraphs.

2. In compliance with the above provisions and the circulars, the Notice of the AGM and the Annual Report for the financial year 2019-20 will be sent to all the Shareholders of the Company whose email addresses are registered with the Company / Depository Participant(s) / RTA.

The Notice and the Annual Report will also be available on the website of the Company at [www.texmaco.in](http://www.texmaco.in) and the Stock Exchanges where the equity shares of the Company are listed, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

- Those Shareholders who are holding shares in physical mode and have not yet registered / updated their email addresses with the Company / RTA, are requested to visit the portal provided by the RTA at [https://ris.kfintech.com/email\\_registration](https://ris.kfintech.com/email_registration) to register their email addresses.

Alternatively, Shareholders may send a scanned copy of request letter providing their email address and mobile number, duly signed by the Shareholder (first shareholder in case of joint shareholding) along with cancelled cheque leaf, self-attested copy of PAN card and share certificate at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

- Those Shareholders who are holding shares in dematerialised mode and have not registered / updated their email addresses with their Depository Participant(s), are requested to register / update their email addresses with the relevant Depository Participant(s).

3. **The Explanatory Statement pursuant to Section 102 of the setting out the material facts relating to the businesses at Item nos. 4 to 9 of the Notice as set out above, is annexed hereto.**

The Board of Directors of the Company has considered and decided to include the above mentioned Items as Special business, as they are unavoidable in nature.

4. In terms of Section 152 of the Act, Mr. Akshay Poddar (DIN: 00008686) retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

The Board of Directors recommends his re-appointment. Additional information in respect of his re-appointment, pursuant to the Listing Regulations and the Secretarial Standards forms a part of this Notice.

5. **A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote on a poll on his / her behalf, and the Proxy need not be a Member of the Company. Since the AGM is being held through**

**VC / OAVM pursuant to the MCA Circulars and the SEBI Circular, the requirement of appointing proxies is not applicable. The Proxy Form, Attendance Slip and the Route Map are not annexed to this Notice since the AGM is being held through VC / OAVM.**

6. Corporate / Institutional Shareholders (i.e. other than Individuals, HUF, NRI, etc.) are entitled to appoint authorised representatives to attend and vote at the AGM. They are required to send a certified copy of Board Resolution, Authority letter (PDF/JPG) etc., authorising their representative(s) to attend and vote at the AGM, to the Scrutinizer through e-mail at [geetaroychowdhury@gmail.com](mailto:geetaroychowdhury@gmail.com) with a copy marked to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

Corporate / Institutional Shareholders are encouraged to attend and vote at the AGM.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

8. **The Register of Members of the Company will remain closed from Friday, 25<sup>th</sup> September 2020 to Wednesday, 30<sup>th</sup> September 2020 (both days inclusive).**

9. Voting rights will be reckoned on the paid-up value of Equity Shares registered in the name of the Members as on **Thursday, 24<sup>th</sup> September 2020 (cut-off date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM.

10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in this Notice of the AGM, will be available electronically for inspection by the Members during the AGM. The Audited Financial Statements including the Audited Consolidated Financial Statement of the Company, the Reports of the Board of Directors and the Auditors thereon with all other documents of the Company annexed or attached thereto, the relevant documents referred to in this Notice of the AGM, and the certificate of ESOP pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014, are available for inspection through electronic mode by the Members of the Company from the date of circulation of this Notice up to the date of the AGM. Members seeking inspection of such documents are requested to send an email at [evoting\\_texrail@texmaco.in](mailto:evoting_texrail@texmaco.in).

11. To support the 'Green Initiative', Members are encouraged to register their e-mail address with the Company / Depository Participant(s) / RTA, as the case may be, so that they can receive all future communication from the Company through electronic mode.
12. SEBI has mandated the submission of PAN by every participant in the securities market. In line with the SEBI mandate and the Listing Regulations, Members are also requested to update/provide their Bank detail to the Depository Participant(s) or, as the case may be, to the Company / RTA, in order to avail the electronic payment facility. Also, Member(s) holding equity shares in physical form are requested to notify about any change in their address / PAN / Bank Mandate to the Company / RTA.
13. In accordance with Regulation 40 of the Listing Regulations, effective 1<sup>st</sup> April 2019, any transfer of shares of listed companies shall not be processed unless they are held in dematerialised form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised.
14. Members whose dividend(s) have remain unclaimed, are requested to claim the same by writing to the Company's RTA, i.e. KFin. Members are requested to note that the dividends remaining unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund ('IEPF'). In addition, all equity shares in respect of which dividends have not been paid or claimed for seven consecutive years or more shall also be transferred by the Company to the demat account of the IEPF. The Company has sent individual communication to all concerned Members whose equity shares are due for transfer to IEPF, informing them to claim their unpaid/unclaimed dividend before the due date to avoid transfer to IEPF Authority.
15. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source ('TDS') from the dividend paid to the Members at prescribed rates under the Income-tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to provide and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants and for getting the Tax Exemption on the Dividend Amount, shareholders are requested to visit the RTA's website at <https://ris.kfintech.com/form15/> or may send an email to RTA with the complete set of Tax Exemption Documents at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
16. **Remote e-voting**
  - A. In terms of the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations, the Company is providing its Members the facility of remote e-voting to exercise votes electronically on the Resolutions proposed to be passed at the AGM. The Company is also providing the facility of e-voting during the AGM. The Board of Directors of the Company has appointed Ms. Geeta Roy Chowdhury as the Scrutinizer for this purpose.
  - B. The instructions for remote e-voting are as under:
    - i. Open your web browser during the remote e-voting period and navigate to <https://emeetings.kfintech.com>
    - ii. Enter the login credentials [i.e. user ID and password mentioned in the email sent to those Shareholders, who have registered their email addresses]. Your Folio No. / DP ID Client ID will be your user ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
    - iii. Put user ID and password as initial password / PIN in the window opened in step i. above. Click Login.
    - iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #,\$,etc.). The system will prompt you to change your password and update any contact details like mobile, e-mail address, etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - v. You need to login again with the new credentials.
    - vi. On successful login, the system will prompt you to select the 'EVENT' i.e. Texmaco Rail & Engineering Limited.
    - vii. On the voting page, the Resolution description along with the number of equity shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR' / 'AGAINST' as the case may be

or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

viii. Cast your vote by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click 'OK' else 'CANCEL' and accordingly modify your vote. Once confirmed, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times until you have confirmed your votes on the Resolutions.

ix. Any person who becomes a Member of the Company after the dispatch of the Notice and holds Equity Shares as on the **cut-off date i.e., Thursday, 24<sup>th</sup> September 2020** may approach KFin for issuance of the User ID and Password for exercising their right to vote by electronic means by the following procedure:

- a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD <space> E-voting Event number + Folio No. or DP ID Client ID to 9212993399.

Example for NSDL:

MYEPWD<SPACE>IN12345612345678

Example for CDSL:

MYEPWD<SPACE>1402345612345678

Example for Physical:

Event No. XXXXMYEPWD<SPACE>XXXX1234567

- b) If the email address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click 'FORGOT PASSWORD' and enter Folio No. or DP ID Client ID and PAN to generate a password.

- c) Member may call KFin toll free number 1800-3454-001.

- d) Member may send an email request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

17. The remote e-voting period commences at **9:00 a.m. on Saturday, 26<sup>th</sup> September 2020** and ends at **5:00 p.m. on Tuesday, 29<sup>th</sup> September 2020**. During this period, Shareholders of the Company holding Equity Shares either in physical form or in dematerialised form, as on the cut-off date i.e. **Thursday, 24<sup>th</sup> September 2020** may cast their vote electronically.

The e-voting module shall be blocked for voting thereafter. Once, the vote on a Resolution is cast by the Shareholder, such Shareholder shall not be allowed to change it subsequently.

18. The Members who have already casted their vote through remote e-voting cannot vote again at the e-voting during the AGM. However, such Member shall be entitled to attend the AGM.

**19. Instructions for attending the AGM through Video Conference:**

A. Members will be provided with a facility to attend the AGM through VC platform provided by KFin. Members are required to login at <https://emeetings.kfintech.com>, by using the remote e-voting credentials. The link for AGM will be available in Shareholder/Members login where the 'EVENT' and the name of the Company can be selected.

B. The facility for joining the AGM shall be kept open from 1:45 p.m. i.e. 15 minutes before the scheduled time for commencement of the AGM, and may be closed at 2:15 p.m., i.e. upon the expiry of 15 minutes after such scheduled time.

C. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.

Those Shareholder who are holding equity shares in physical form may send an email at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for obtaining the User ID and Password, or by following the procedure as mentioned in point no. 16 of this Notice.

D. Members can participate in the AGM through their desktops / mobile phones / laptops etc. Members will also have the option to turn on their camera during the AGM. However, for better experience and smooth participation, it is advisable to join the AGM meeting through desktops / laptops with high-speed internet connectivity.

It is recommended to use Stable Wi-Fi or LAN connection to mitigate issues relating to internet connectivity.

E. **Speaker registration:** Shareholders who would like to express their views/ask questions during the AGM may log into <https://emeetings.kfintech.com/>, click on "Post your Queries" and post their queries/views/questions in the window provided by mentioning the name, DP ID Client ID/Folio No, email address and mobile number. Please note that, questions of only those Shareholders who continue to hold the shares as on the cut-off date, will be answered. The window period for posting the questions shall commence on **Saturday, 26<sup>th</sup> September 2020 at 9:00 a.m.** and close on **Monday, 28<sup>th</sup> September 2020 at**



**5:00 p.m.** Those Members who have registered themselves as a speaker will only be allowed to speak / express their views or ask questions during the AGM. Due to limitations of transmission and coordination during the Q&A session, the Company may restrict the number of speakers.

- F. In case of any query regarding e-voting or technical assistance for VC/OAVM participation, members may contact Mr. Raj Kumar Kale, an official of KFin at 040-67162222 or the toll free No. 1800-345-4001 or write at [evoting@kfintech.com](mailto:evoting@kfintech.com).

**20. Instructions for Members for e-voting during the AGM :**

- A. Only those Shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system "Instapoll" available during the AGM.
- B. The e-voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the AGM proceedings. Shareholders shall click on the same to take them to the "Instapoll" page.

- C. Members need to click on the "Instapoll" icon to reach the Resolution page and follow the instructions to vote on the Resolutions.

21. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of <https://evoting.karvy.com/public/Faq.aspx> or contact RTA at Tel No. 1800 345 4001 (toll free) or any grievances may please be sent to the email or may be addressed to the Company at the e-mail [evoting\\_textrail@texmaco.in](mailto:evoting_textrail@texmaco.in).

22. The Results of the e-voting will be declared on or after the date of the AGM i.e. 30<sup>th</sup> September 2020. The declared Results, along with the scrutinizer report will be available on the website of the Company at website [www.texmaco.in](http://www.texmaco.in) and on the website of KFin; such Results will also be forwarded to the Stock Exchange(s) where the equity shares of the Company are listed.

23. Shareholders who are not the Members of the Company as on the Record Date shall treat this Notice for information purpose only.

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## Explanatory Statement

### SPECIAL BUSINESS

#### Item No. 4

The Board of Directors on the recommendation of the Audit Committee, at its Meeting held on 17<sup>th</sup> June 2020 has approved the appointment of Messrs. DGM & Associates, Cost Accountants (Firm Registration No. 000038), as the Cost Auditors to conduct the Audit of the Cost Records of the Company for the financial year ending 31<sup>st</sup> March 2021 at a remuneration of ₹ 1,85,000/- (Rupees One Lakh Eighty Five Thousand) plus applicable taxes and out-of-pocket expenses as incurred from time to time.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules framed thereunder, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

A certificate issued by the aforementioned firm regarding their eligibility for appointment as Cost Auditors is available for electronic inspection from the date hereof up to the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel including their relatives is, in any way, concerned or interested,

financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors recommends the passing of the proposed Resolution as set out at Item no. 4 by way of an Ordinary Resolution.

#### Item No. 5

Mr. Saroj Kumar Poddar was re-appointed as the Executive Director and the Chairman of the Company for a term of 5 (five) years i.e. from 25<sup>th</sup> September 2015 to 24<sup>th</sup> September 2020.

In view of his varied knowledge and valuable contribution during his present tenure, the Board of Directors on the recommendation of the Nomination and Remuneration Committee and subject to the approval of Shareholders, at its Meeting held on 17<sup>th</sup> June 2020 has approved the re-appointment of Mr. Poddar as the Executive Director and the Chairman of the Company for a further period of 5 (five) years with effect from 25<sup>th</sup> September 2020. The Company has received a valid notice in terms of Section 160 of the Companies Act, 2013 ('Act') proposing the candidature of Mr. Poddar for the office of Director.

In view of the background and valuable experience of Mr. Poddar, it will be in the interest of the Company that he

continues as the Executive Director and the Chairman of the Company. The Board believes that his experience and vision will contribute to the growth of the Company.

The following additional information as required under Schedule V to the Act is given below:

#### I. General Information:

##### (i) Nature of Industry:

The Company is, inter-alia, involved in the business of manufacturing of rolling stock, hydro-mechanical equipments, steel castings, Rail EPC, bridges and other steel structures.

##### (ii) Date or expected date of commencement of commercial production:

The Company was incorporated on 25<sup>th</sup> June 1998. The Heavy Engineering and Steel Foundry businesses of the then formed Company namely, Texmaco Limited were demerged into this Company. The operation of the plants of Texmaco Limited were started in 1939.

##### (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 – (as per audited financial statements for the year ended 31<sup>st</sup> March 2020):

Particulars	(₹ in Crores)
Gross Turnover	1,831.80
Other Income	27.26
Net profit as per Statement of Profit & Loss (After Tax)	(65.84)

##### (v) Foreign investments or collaborators, if any:

Not Applicable.

#### II. Information about the appointee:

##### (i) Background details:

Mr. Poddar aged 74 years, a leading Indian industrialist of international repute, is Chairman of the Adventz group. The Adventz Group, which was repositioned by Mr. Poddar to leverage its exemplary equity in terms of knowledge,

best practices and technical excellence, comprises leading companies in various verticals, constituting key drivers of the Indian economy. Under the leadership of Mr. Poddar, the group has promoted various seminal projects including joint ventures with leading international corporations. The most notable of these ventures are Hettich India Private Limited - a joint venture with the Hettich Group of Germany, Touax Texmaco Railcar Leasing Private Limited – a joint venture with the Touax group of France, Wabtec Texmaco Rail Private Limited – a joint venture with the Wabtec group of USA and MCA Phosphates Pte Limited - a joint venture with the Mitsubishi Corporation of Japan. Mr. Poddar was also instrumental in promoting Gillette India Limited, a venture with the renowned 'The Gillette Company, USA and was its Founder Chairman since 1984, before relinquishing the position in December 2013.

Mr. Poddar is also the Chairman of Texmaco Infrastructure & Holdings Limited, Zuari Agro Chemicals Limited, Zuari Global Limited, Chambal Fertilisers & Chemicals Limited and Paradeep Phosphates Limited.

A gold medallist in Commerce from Calcutta University, Mr. Poddar is an aficionado of art, culture and sports and is involved in their promotion and development. The Poddars also promote young cricketers to go abroad for training and practice. He is also a recipient of the Rashtriya Samman award from the Central Board of Direct Taxes. A keen collector of contemporary Indian art, Mr. Poddar has a superb collection of modern Indian masters. His family is currently involved in setting up a museum in Delhi with the theme 'India through the ages'. The museum, to be named after Mr. Poddar's father in law, the late Dr. K. K. Birla as 'K. K. Birla Academy', will be fully funded by the family and is to be commissioned in the coming years.

Mr. Poddar has served as President of FICCI and International Chamber of Commerce in India, and has been appointed by the Government of India on the Board of Trade - the highest body on trade – as well as on the Board of the Indian Institute of Science, Bengaluru. Mr. Poddar has also served as a Member on the Board of Governors of the Indian Institute of Technology, Kharagpur for over 10 years and on the local Board of the Reserve Bank of India for a similar period. He was also on the Advisory Board of one of the most reputed investment brokers, Messrs N M Rothschild & Sons (India) Private Limited.

Mr. Poddar is the Chairman of India-Saudi Arabia Joint Business Council and is a Member of the Indo-French CEO Forum.

(ii) **Past remuneration during the financial year ended 31<sup>st</sup> March 2020:**

Name of the Executive Director and the Chairman	Amount (₹ in Crores)
Mr. Saroj Kumar Poddar	3.79

(iii) **Recognition or awards:**

Stated under background details above.

(iv) **Job Profile and his suitability:**

Stated under background details above.

(v) **Remuneration proposed:**

Pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions read with Schedule V to the Act together with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof), Mr. Poddar be re-appointed as the Executive Director and the Chairman of the Company on the following terms and conditions:

1 Salary	: ₹ 25,00,000/- per month with increments as may be decided by the Board of Directors from time to time subject to a yearly overall ceiling of 25% of last paid remuneration.
2 Perquisites CATEGORY – A	
a) Medical Reimbursement / Allowance	: Reimbursement of actual expenses incurred by the Executive Chairman for self and his family subject to the ceiling of one's month Salary in a year or three month's Salary over a period of three years.
b) Bonus / Exgratia	: As per the Rules of the Company
c) Leave	: As per the Rules of the Company
CATEGORY – B	
Contribution to Provident Fund	: As per the Rules of the Company.
CATEGORY – C	: Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, long distance calls on telephone and use of car for private purpose shall be billed by the Company.

3	In the event of the loss or inadequacy of profit in any financial year during his tenure as the Executive Director and the Chairman, the aforesaid remuneration shall be treated as minimum remuneration.
4	The annual variation and increase in the remuneration of the Executive Director and the Chairman shall not exceed 5% of the profits of the Company as calculated under Sections 197 and 198 of the Act, read with the limits specified in Schedule V.

(vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mr. Poddar, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(vii) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, Mr. Poddar is the promoter of the Company and is related to Mr. Akshay Poddar, Non-executive Director.

**III. Other Information:**

(i) **Reasons of loss or inadequate profits:**

The last few years have seen disruption in the performance of the Company due to poor off-take of wagons by the Indian Railways coupled with overall downtrend in the economy. Additionally, worldwide COVID-19 pandemic has started in India in January 2020 which took a toll on the human lives and the world economy. The unprecedented situation has greatly affected the performance of the Company for the last quarter of the financial year 2019-20.

Furthermore, the Company had made a significant provision during year ended 31<sup>st</sup> March 2020 amounting ₹ 149.92 crores on account of impairment of assets of the Rail EPC - Kalindee Division in respect of certain legacy contracts which were under execution for a long time and the pending obligations thereunder were completed during the year. This has led to decline in profitability of the Company.

(ii) **Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:**

The Railway infrastructure segment continues to remain the focus area of the Government. The plan of the



Railway reinforces the importance of raising resources for expansion of network, doubling of lines, upgradation of signalling system, rail safety, and modernisation of the existing infrastructure. The opportunities in the Rail Infra sector will certainly benefit the Rail EPC business of the Company. The mega plan of Indian Railways for Freight Corridors is going on to meet the targeted timeline and this would certainly open up the demand for increased number of wagons for the Rolling Stock Division of the Company.

The Steel Foundry Division has been able to exhibit the advantage of acquisition of Urla unit – Raipur. The Division has reported a robust performance during the year and it is expected that the Division would continue to accomplish better performance to meet the emerging demand for Railway wagon castings.

#### IV. Disclosures:

The information and disclosures of the remuneration package of Mr. Poddar have been mentioned in the Annual Report under the Section - Corporate Governance Report.

This also forms a part of disclosure as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received consent from Mr. Poddar to act as a Director and a declaration that he is not disqualified under Section 164 of the Act to act as such.

Except Mr. Saroj Kumar Poddar, Mr. Akshay Poddar and their relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors recommends the passing of the proposed Resolution as set out at Item no. 5 by way of a Special Resolution.

#### Item No. 6

Mr. Indrajit Mookerjee was appointed as an Independent Director of the Company by the Members by way of a Special Resolution at the Twenty-First Annual General Meeting held on 9<sup>th</sup> September 2019 for a period of 5 (Five) years w.e.f. 9<sup>th</sup> September 2019. In view of his expertise and knowledge, Mr. Mookerjee has now been re-designated as the Managing Director of the Company by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of Shareholders, vide a Resolution passed by Circulation on 30<sup>th</sup> March 2020 for a period of 3 (three) years with effect from 2<sup>nd</sup> April 2020.

In view of the background and valuable experience of Mr. Mookerjee, it will be in the interest of the Company that he continues as the Managing Director of the Company. The Board believes that his experience and vision will enable the Company to grow and perform better and also navigate with the best Corporate Governance practices.

The following additional information as required under Schedule V to the Act is given below:

#### I. General Information:

##### (i) Nature of Industry:

The Company is, inter-alia, involved in the business of manufacturing of rolling stock, hydro-mechanical equipments, steel castings, Rail EPC, bridges and other steel structures.

##### (ii) Date or expected date of commencement of commercial production:

The Company was incorporated on 25<sup>th</sup> June 1998. The Heavy Engineering and Steel Foundry businesses of the then formed Company namely, Texmaco Limited were demerged into this Company. The operation of the plants of Texmaco Limited were started in 1939.

##### (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 – (as per audited financial statements for the year ended 31<sup>st</sup> March 2020):

Particulars	(₹ in Crores)
Gross Turnover	1,831.80
Other Income	27.26
Net profit as per Statement of Profit & Loss (After Tax)	(65.84)

##### (v) Foreign investments or collaborators, if any:

Not Applicable.

#### II. Information about the appointee:

##### (i) Background details:

Mr. Mookerjee aged 72 years, earned his B. Tech (Hons) Degree in Chemical Engineering from the Indian Institute of Technology, Kharagpur and did his Masters Degree (MS in Chemical Engineering) from Georgia Institute of

Technology, Atlanta, USA (also known as Georgia Tech.). He has been one of the members authoring an important research paper for National Bureau of Standards, Boulder, Colorado, USA. He later also participated in an advanced Executive Development Program under Columbia University, NY, USA. Mr. Mookerjee was Director – Business Development of Praxair Asia Inc., located in Singapore prior to becoming founder Managing Director of Praxair India Private Limited and Jindal Praxair Oxygen Co. Limited. He has also served on the Board of Oriental Carbon & Chemicals Limited in Delhi.

He was the Managing Director of Lorch Welding Products Private Limited and he is also associated with the Tollygunge Club Limited.

He later joined Vedanta group and apart from being a Director on Bharat Aluminium Co Limited, he was also appointed as the Managing Director of India Foils Limited on a secondment assignment and successfully turned around the business before divestment.

Mr. Mookerjee had held the position of President of American Chamber of Commerce, and the Chairman of CII, Bengaluru Chapter. He had been the President of Tollygunge Club Limited, Calcutta in the year 2016-17. He is an active social worker.

**(ii) Past remuneration during the financial year ended 31<sup>st</sup> March 2020:**

Name of the Managing Director	Amount (₹ in Crores)
Mr. Indrajit Mookerjee	0.02*

*\*Remuneration means Sitting Fees and Commission paid to him as an Independent Director*

**(iii) Recognition or awards:**

Stated under background details above.

**(iv) Job Profile and his suitability:**

Stated under background details above.

**(v) Remuneration proposed:**

Pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions read with Schedule V to the Act together with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof), Mr. Mookerjee be appointed as the Managing Director of the Company on the following terms and conditions:

1 Salary	: ₹ 4,00,000/- per month with increments as may be decided by the Board of Directors from time to time subject to a yearly overall ceiling of 25% of last paid remuneration.
2 Other Allowances	: ₹ 1,00,000/- per month
3 Perquisites CATEGORY – A	
Leave	: As per the Rules of the Company.
CATEGORY - B	Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, long distance calls on telephone and use of car for private purpose shall be billed by the Company.
4	In the event of the loss or inadequacy of profit in any financial year during his tenure as the Managing Director, the aforesaid remuneration shall be treated as minimum remuneration.
5	The annual variation and increase in the remuneration of Managing Director shall not exceed 5% of the profits of the Company as calculated under Sections 197 and 198 of the Act, read with limits specified in Schedule V.

**(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mr. Mookerjee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

**(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, Mr. Mookerjee does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.