



TEXMACO RAIL & ENGINEERING LIMITED

CIN No.: L29261WB1998PLC087404

Registered Office: Belgharia, Kolkata 700 056

Phone: (033) 2569 1500 • Fax : (033) 2541 2448 • Website: www.texmaco.in

Notice to the Shareholders

Notice is hereby given that the 18th Annual General Meeting of TEXMACO RAIL & ENGINEERING LIMITED will be held on Monday, 26th September, 2016 at 2:00 P. M. at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata – 700 056, to transact the following businesses:

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company, the Directors' and Auditors' Report thereon for the year ended 31st March, 2016.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2016.
3. To appoint Director in place of Mr. Akshay Poddar (DIN: 00008686) and Mr. Sandeep Fuller (DIN: 06754262), who retires by rotation and are eligible for re-election.
4. To ratify the appointment of Statutory Auditors and to fix their remuneration.

In this regard to consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:-

“RESOLVED that appointment of Messrs. K. N. Gutgutia & Co., Chartered Accountants (ICAI Registration No. 304153E), as the Statutory Auditors of the Company, to conduct the audit at a remuneration as may be decided by the Board of Directors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 19th Annual General Meeting be and is hereby ratified.”

AS SPECIAL BUSINESS

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

Item No. 5

“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, the Cost Auditors M/s. DGM & Associates, Cost Accountants, (ICMA Registration No. 000038) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, be paid the remuneration as decided by the Board of Directors of the Company and stated in the Explanatory Statement.”

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

Item No. 6

“RESOLVED that pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof, the Company hereby approves the re-appointment of Mr. D. H. Kela (DIN: 01050842) as the Executive Director of the Company for a period of 5 (Five) years with effect from 25th September, 2016, liable to retire by rotation and on such terms and conditions as approved by the Board of Directors and as stated in the Explanatory Statement.”

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

Item No. 7

“RESOLVED that pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof, the Company hereby approves the re-appointment of Mr. Sandeep Fuller (DIN: 06754262) as the Executive Director of the Company for a period of 5 (Five) years with effect from 1st February, 2017, liable to retire by rotation and on such terms and conditions as approved by the Board of Directors and as stated in the Explanatory Statement.”

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

Item No. 8

“RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), including any statutory modification(s) or re-enactment thereof, Mr. Vinod Kumar Sharma (DIN: 02051084) appointed by the Board as an Additional Independent Director of the Company, has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 3 (three) consecutive years commencing from 29th June, 2016.”

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

Item No. 9

“RESOLVED that subject to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 ('Act'), including any statutory modification(s) or re-enactment thereof, the Company hereby authorises the payment of Commission to the Non-executive Directors, as the Board may decide from time to time, subject to a ceiling of 1% of the net profits of the Company in any financial year computed in the manner referred to in Section 198 of the Act, for a period of 5 (five) years commencing from 1st April, 2016.”

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

Item No. 10

“RESOLVED that pursuant to the provisions of Section 197 and the

Rules framed thereunder, read together with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ('Act') including any statutory modification(s) or re-enactment thereof, and subject to the approval of the Central Government, the Members of the Company do hereby approve the remuneration paid in excess of the limits prescribed under the provisions of Sections 198 and 309 read with Schedule V of the Act, to the Executive Directors for the financial year ended 31st March, 2016, being the remuneration agreed to be paid to them in normal course.”

By the order of the Board

Belgharia

Kolkata – 700 056

Dated: 25th July, 2016

Ravi Varma

Company Secretary

ICSI Membership No. A27650

NOTES:

- (i) *A Member entitled to attend and vote at the Annual General Meeting ('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.*

The instrument appointing Proxy, in order to be effective, duly signed and completed, must be deposited at the Registered Office of the Company located at Belgharia, Kolkata - 700 056 not less than FORTY-EIGHT HOURS before the commencement of the AGM i.e. by Saturday, 24th September, 2016. Proxies submitted on behalf of Limited Companies, Societies etc. must be supported by appropriate Resolution(s) / Authority as may be applicable. A Person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total paid up Share Capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total paid up Share Capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other Member(s).

Proxy shall carry his/ her identity proof (any one of PAN Card, Voter ID Card, AADHAR Card, Driving license, Passport) at the venue of AGM.

- (ii) The Register of Members of the Company will remain closed from Tuesday, 20th September, 2016 to Monday, 26th September, 2016 both days inclusive.
- (iii) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 setting out the material facts relating to the businesses at Item No. 5 to Item No. 10 of the Notice as set out above, is annexed hereto.

- (iv) In terms of Section 152 of the Companies Act, 2013, Messrs. Akshay Poddar and Sandeep Fuller retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

The Board recommends their appointment. Additional information in respect of their appointment, pursuant to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 forms part of this Notice.

- (v) The Statement of Profit and Loss for the financial year ended 31st March, 2016, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report, all other documents annexed or attached to the Balance Sheet and the Memorandum and the Articles of Association are available for inspection by the Members at the Registered & Corporate Office of the Company between 11.00 A.M. to 1.00 P.M. on all working days from the date hereof up to this Annual General Meeting.
- (vi) To support the 'Green Initiative', Members who have not registered their e-mail address so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
- (vii) In line with the SEBI Circular dated 21st March, 2013 emphasizing electronic funds transfer, Members are requested to provide their Bank details to the Company / RTA in order to avail the electronic payment facility.
- (viii) Voting through electronic means
1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions

proposed at this Annual General Meeting ('AGM') will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and also by way of e-voting ('Insta Poll') at the AGM, for which purpose the Company has engaged the services of Karvy Computershare Pvt. Limited ('Karvy'). The Board of Directors of the Company has appointed Ms. Geeta Roy Chowdhury, as the Scrutinizer for this purpose.

The instructions for remote e-voting are as under:

- (a) Open your web browser during the remote e-voting period and navigate to <https://evoting.karvy.com>.
- (b) Enter the login credentials [i.e., user ID and password mentioned in the Attendance Slip of the Notice of this AGM or as mentioned in the e-mail sent to those Shareholders, who have registered their e mail IDs]. Your Folio No. / DP ID Client ID will be your user ID.
- (c) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
- (d) 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 (e-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, email 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.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the 'EVENT' i.e., Texmaco Rail & Engineering Limited.
- (g) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST' for voting. Enter the number of Shares (which represents number of votes) as on the cut off date under 'FOR/ AGAINST' or alternately you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed the total shareholding. You may also choose the option 'ABSTAIN'.
- (h) 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 on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

- (i) Once you 'CONFIRM', you will not be allowed to modify your vote. During the voting period, Shareholders can Login any number of times till they have voted on the Resolution.
 - (j) Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail geetaroychowdhury@gmail.com with a copy marked to evoting@karvy.com.
 - (k) Any person who become Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e. Monday, 19th September, 2016 may approach the Company / Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means to 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> 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	MYEPWD <SPACE> XXX1234567
 - b. If e-mail 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 Karvy's toll free number 1-800-3454-001.
 - d. Member may send an e-mail request to evoting@karvy.com.
2. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on Monday, 19th September, 2016 (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 at the AGM.

3. The remote e-voting period commences at 9.00 A.M on Thursday, 22nd September, 2016 and ends at 5.00 P.M. on Sunday, 25th September, 2016. During this period Shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of Monday, 19th September, 2016 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, the Shareholder shall not be allowed to change it subsequently.
4. The Members who have already casted their vote through remote e-voting cannot vote again at the e-voting at the AGM. However, such Member shall be entitled to attend the Meeting.
5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of <http://evoting.karvy.com> or contact

Karvy Computershare Pvt. Ltd. at Tel No. 1-800-3454-001 (toll free) or any grievances may please be sent to the e-mail ID evoting@karvy.com or may be addressed to the Company Secretary of the Company at the email ID evoting_textrail@texmaco.in

6. The Results of the e-voting will be declared on or after the date of the AGM i.e. Monday, 26th September, 2016. The declared Results, along with the Scrutiniser's Report will be available on the Company's website www.texmaco.in and on the website of Karvy; such Results will also be forwarded to the Stock Exchanges, where the Equity Shares of the Company are listed.
7. Shareholders who are not the Members of the Company as on the record date shall treat this Notice for information purpose only.
8. Shareholders of the Company have approved the Texmaco Employee Stock Option Scheme, 2014 at the Annual General Meeting held on 4th September, 2014. The Compensation Committee, in terms of the power vested with it and one to three years of vesting period already provided for in the Scheme, has relaxed the subsequent lock-in period of 1 year to the eligible employees post exercise of the options granted to them.

Explanatory Statement as required u/s 102 of the Companies Act, 2013

AS SPECIAL BUSINESS

Item No. 5

The Board on recommendation of the Audit Committee, at its Meeting held on 30th May, 2016 has approved the appointment of M/s. DGM & Associates, Cost Accountants, Kolkata as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017 in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 at a remuneration of ₹ 1,25,000/-. A certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors is available for inspection at the Registered & Corporate Office of the Company between 11:00 A.M. to 1:00 P.M. on all working days from the date hereof up to this 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.

Item No. 6

The Board of Directors of your Company at its Meeting held on 30th May, 2016 approved the re-appointment of Mr. D. H. Kela as the Executive Director of the Company for a further period of five years with effect from 25th September, 2016 on the recommendations of the Nomination and Remuneration Committee. The terms and conditions of his employment have been approved by the Board as per the statement appearing herein:

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 and other equipments.

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

The Company was incorporated on 25th June, 1998. The operations of the plants were started in 1939 under the then formed Company namely, Texmaco Limited.

(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 31st March, 2016):**

Particulars	(₹ in Crores)
Gross Turnover	917.09
Other Income	32.01
Net profit as per Statement of Profit & Loss (After Tax)	21.59

(v) **Foreign investments or collaborators, if any:**
Not Applicable.

II. Information about the appointee:

(i) **Background details:**

Mr. D.H. Kela aged 75 years, is a graduate in Metallurgical Engineering of 1964, having vast experience of more than 48 years in the industry, having held senior positions in engineering and metallurgical companies.

(ii) **Past remuneration during the financial year ended 31st March, 2016:**

Name of the Executive Director	(₹ in Crores)
Mr. D. H. Kela	1.12

(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 and 203 and any other applicable provisions read with Schedule V of the Companies Act, 2013 together with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof), Mr. D. H. Kela be re-appointed on the following terms and conditions.

1	Salary	₹ 6,00,000/- 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) Housing	i) Free furnished accommodation or HRA up to 40% of salary. ii) The expenditure incurred on gas, electricity, water and furnishing shall be valued as per Income-tax Rules, 1962.

b) Medical Reimbursement	Reimbursement of actual expenses incurred for self and his family subject to the ceiling of one month's Salary in a year or three month's Salary over a period of three years.
c) Leave Travel Concession	For self and his family once in a year in accordance with the Rules of the Company.
d) Bonus / Exgratia	As per the Rules of the Company.
e) Leave	As per the Rules of the Company.
f) Club Fees	Subject to maximum of one Club. No admission or life membership fee will be paid by the Company.
CATEGORY – B	
a) Contribution to Provident Fund and Superannuation Fund	As per the Rules of the Company.
b) Gratuity	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 an Executive Director, the aforesaid remuneration shall be treated as minimum remuneration.
4	The annual variation and increase in the remuneration of Executive Director shall not exceed 5% of the profits of the Company as calculated under Section 198 of the Companies Act, 2013, and 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. D. H. Kela, 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, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other Information:

(i) Reasons of loss or inadequate profits:

The working results were impacted by inefficient resource utilization owing to inadequate Railway wagon orders, worsened by uneconomic wagon prices in unhealthy competition in the Industry and the overall economic downturn in the economy during the relevant financial year.

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

With expected release of orders for wagons by the Railways, resurgence in demands for wagons from other end users and a stable Government at the Centre, the general gloom in the Industry is gradually lifting. The focused approach of the new Government for growth of the Rail sector is opening vistas of new opportunities.

IV. Disclosures:

The information and Disclosures of the remuneration package of the Executive Directors have been mentioned in the Annual Report under the Corporate Governance Report.

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

Except Mr. D. H. Kela, 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, if any, in the Company.

The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Kela for the office of the Executive Director.

In view of the above and subject to passing of the Resolution as set out in the Notice, it will be in the interest of the Company that Mr. Kela continues as the Executive Director of the Company.

Item No. 7

The Board of Directors of your Company at its Meeting held on 30th May, 2016 approved the re-appointment of Mr. Sandeep Fuller as the Executive Director of the Company for a further period of five years with effect from 1st February, 2017 on the recommendations of the Nomination and Remuneration Committee. The terms and conditions of his employment have been approved by the Board as per the statement appearing herein:

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 and other equipments.

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

The Company was incorporated on 25th June, 1998. The operations of the plants were started in 1939 under the then formed Company namely, Texmaco Limited.

(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 31st March, 2016):

Particulars	(₹ in Crores)
Gross Turnover	917.09
Other Income	32.01
Net profit as per Statement of Profit & Loss (After Tax)	21.59

(v) Foreign investments or collaborators, if any:

Not Applicable.

II. Information about the appointee:

(i) Background details:

Mr. Sandeep Fuller is a highly qualified professional aged 50 years (B.Tech'86, IIT Kanpur & PGD in Management). He has an outstanding experience of his working for nearly 20 years with Indian Railways in various capacities, and thereafter Larsen & Toubro before taking over his present assignment. His core experience is in the domain of Rolling Stock, Metro Coaches, Locomotives, Traction and Maintenance.

He has been a recipient of several distinguished awards for outstanding performance, notably the Railway Minister's Award for the year 2008-09 for Mumbai Railway operations including suburban operations. He has to his credit a series of papers presented on Modern Rolling Stock used in Delhi Metro and other related subjects. His high academic attainments and job experience are backed by specialized professional training at France in IT, University of York, UK, in International Traction Systems and other innovative programmes in Singapore and Malaysia.

(ii) Past remuneration during the financial year ended 31st March, 2016:

Name of the Executive Director	(₹ in Crores)
Mr. Sandeep Fuller	0.96

(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 and 203 and any other applicable provisions read with Schedule V of the Companies Act, 2013 together with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof), Mr. Sandeep Fuller be appointed on the following terms and conditions.

1	Salary	₹ 3,50,000/- 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	₹ 1,85,000/- per month
3	Perquisites	
	CATEGORY – A	
	a) Housing	i) Free furnished accommodation or HRA up to 30% of salary. ii) The expenditure incurred on gas, electricity, water, and furnishing shall be valued as per Income-tax Rules, 1962.
	b) Medical Reimbursement	Reimbursement of actual expenses incurred for self and his family subject to the ceiling of one month's Salary in a year or three month's Salary over a period of three years.
	c) Leave Travel Concession	For self and his family once in a year in accordance with the Rules of the Company.
	d) Bonus / Exgratia	As per the Rules of the Company.
	e) Leave	As per the Rules of the Company.
	f) Club Fees	Membership fee for one Club. No admission or life membership fee will be paid by the Company.
	CATEGORY – B	
	a) Contribution to Provident Fund and Superannuation Fund	As per the Rules of the Company.
	b) Gratuity	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 an Executive Director, the aforesaid remuneration shall be treated as minimum remuneration.
4	The annual variation and increase in the remuneration of Executive Director shall not exceed 5% of the profits of the Company as calculated under Section 198 of the Companies Act, 2013, and 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. Sandeep Fuller, 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, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other Information:

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

The working results were impacted by inefficient resource utilization owing to inadequate Railway wagon orders, worsened by uneconomic wagon prices in unhealthy competition in the Industry and the overall economic downturn in the economy during the relevant financial year.

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

With expected release of orders for wagons by the Railways, resurgence in demands for wagons from other end users and a stable Government at the Centre, the general gloom in the Industry is gradually lifting. The focused approach of the new Government for growth of the Rail sector is opening vistas of new opportunities.

IV. Disclosures:

The information and Disclosures of the remuneration package of the Executive Directors have been mentioned in the Annual Report under the Corporate Governance Report.

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

Except Mr. Fuller, 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 Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Fuller for appointment as an Executive Director.

In view of the above and subject to passing of the Resolution as set out in the Notice, it will be in the interest of the Company that Mr. Fuller continues as the Executive Director of the Company.

Item No. 8

Mr. V. K. Sharma is an Executive Director (Retd.), Reserve Bank of India. He holds Master degree in Science. He also holds an Advanced Studies Certificate in International Economic Policy Research from Kiel Institute of World Economics, Kiel, Germany. He is a recipient of the prestigious Lord Aldington Banking Research Fellowship and the first RBI Golden Jubilee scholarship for pursuing research and advanced studies abroad. Mr. Sharma has retired as an Executive Director of RBI on 31st December, 2012 after acting in the capacity of career Central Banker and a Member of the Market Committee of Bank for International Settlements, Basel, Switzerland. He has also served as Chairman / Member / Director of several important Committees / Working Groups / Governing Boards / Councils / Bank Boards and represented RBI in various prestigious National and International fora. He has formidable credentials in Financial and Derivatives Analytics and Risk Management.

The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Sharma for the office of the Director. The Company has also received declaration from the Director that he meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 8 of this Notice for your approval. In view of the background and valuable experience of Mr. Sharma, it will be in the interest of the Company that he continues as a Director of the Company.

Except Mr. Sharma, 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, if any, in the Company.

Item No. 9

Pursuant to Clause 6(2) of the Articles of Association of the Company and pursuant to Section 197 of the Companies Act, 2013 ('Act') a Director of a Public Limited Company who is neither in whole time employment nor a Managing Director thereof may be paid remuneration by way of commission up to 1% of the net profits of

the Company as computed as per Section 198 of the Act, in any Financial Year if the Company by Special Resolution authorizes such payment.

In view of the time and attention the Directors of the Company are called upon to give for the purpose of the Company's business, it is considered that the payment of such commission to the Directors should be made for a period of 5 (Five) years from 1st April, 2016 in accordance with the above mentioned Sections of the Act.

All of the Directors except Messrs. S. K. Poddar, Ramesh Maheshwari, D. H. Kela, Sandeep Fuller and A. K. Vijay are interested in the Resolution.

Item No. 10

The Company had recorded Profit before Tax and Profit after Tax for the year ended 31st March, 2016 at ₹ 2619 Lakhs and ₹ 2159 Lakhs respectively. The working results were impacted by inefficient resource utilization owing to inadequate Railway wagon orders, worsened by uneconomic wagon prices in unhealthy competition in the Industry. In light of the general gloominess in the industry, the earnings of the Company are inadequate for payment of remuneration to the Executive Directors in terms of approval by the Members of the Company, under the provisions of the Companies Act, 2013 ('Act').

Pursuant to the provisions of Section 197 read together with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration exceeding such limits as minimum remuneration with the Members' approval by way of a Special Resolution and subject to the approval of Central Government.

The Board therefore, recommends to the Members for approval of remuneration paid in excess of the limit as prescribed under the provisions of Companies Act, 2013 subject to the approval of the Central Government.

The Executive Directors are concerned or interested in the Resolutions to the extent of their respective remuneration and shareholding interest in the Company.

The relatives of the Executive Directors may be deemed to be concerned or interested in the Resolutions to the extent of their Shareholding, if any, in the Company.

Save and except the above, 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.

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting in pursuance of the SEBI (Listing Obligations and Disclosure Requirements), 2015

Name of the Director	Mr. D. H. Kela	Mr. Sandeep Fuller	Mr. V. K. Sharma	Mr. Akshay Poddar
Age (in years)	75	50	63	40
Qualification	B.E. (Metallurgy)	B. Tech & PGD in Management	Master in Science	Honours in Accounting & Finance from London School of Economics and Political Science, University of London
Date of first Appointment on the Board	1st January, 2010	1st February, 2014	29th June, 2016	2nd September, 2011
Expertise in specific functional areas	<ul style="list-style-type: none"> Vast experience of more than 48 years in the industry Holding senior positions in engineering and metallurgical companies Architect for setting up 2 most modern & automated Steel Foundry units equipped with High Pressure moulding lines for the Company 	<ul style="list-style-type: none"> Experience of 20 years with Indian Railways in various capacities and in Larsen & Toubro Core experience in the domain of Rolling Stock, Metro Coaches, Locomotives, Traction and Maintenance 	<ul style="list-style-type: none"> Executive Director (Retd.), Reserve Bank of India. Career Central Banker and a Member of the Market Committee of Bank for International Settlements, Basel, Switzerland. Chairman / Member / Director of several important Committees / Working Groups / Governing Boards / Councils / Bank Boards and represented RBI in various prestigious National and International fora. He has formidable credentials in Financial and Derivatives Analytics and Risk Management. 	Managing large business set ups
Remuneration last drawn (in crore)	1.12	0.96	N.A.	N.A.
Shareholding in the Company	12,500	12,500	Nil	14,820
Relationship with other Director in the Company	Nil	Nil	Nil	Son of Mr. S. K. Poddar
Directorship held in other Companies	High Quality Steels Limited Wabtec Texmaco Rail Private Limited Texmaco Hi-tech Private Limited*	Kalindee Rail Nirman (Engineers) Limited Bright Power Projects (India) Private Limited Texmaco Hi-tech Private Limited Wabtec Texmaco Rail Private Limited Touax Texmaco Railcar Leasing Private Limited Simon India Limited [§]	Firstsource Solutions Limited Equitas Finance Limited Indian Commodity Exchange Limited	Adventz Securities Enterprises Limited Lionel Edwards Limited Lionel India Limited Texmaco Infrastructure & Holdings Limited Zuari Agro Chemicals Limited Mangalore Chemicals & Fertilizers Limited Abhishek Holdings Private Limited Greenland Trading Private Limited Touax Texmaco Railcar Leasing Private Limited Adventz Finance Private Limited Adventz Investment Company Private Limited Indrakashi Trading Company Private Limited Hettich India Private Limited Adventz Homecare Private Limited Indian Chamber of Commerce, Calcutta YPO (Calcutta)

Name of the Director	Mr. D. H. Kela	Mr. Sandeep Fuller	Mr. V. K. Sharma	Mr. Akshay Poddar
Chairmanship / Membership of Committees in Companies including those in the Company	Texmaco Rail & Engineering Limited: Stakeholders Relationship Committee (Member) Corporate Social Responsibility Committee (Member) Texmaco Hi-tech Private Limited: Audit Committee (Member) Nomination and Remuneration Committee (Member)	Kalindee Rail Nirman (Engineers) Limited: Stakeholders Relationship Committee (Member) Texmaco Hi-tech Private Limited: Audit Committee (Member) Nomination and Remuneration Committee (Member)	Equitas Finance Limited: Audit Committee (Member) Nomination, Remuneration and Governance Committee (Member) Indian Commodity Exchange Limited: Audit Committee (Member) Nomination and Remuneration Committee (Member)	Adventz Securities Enterprises Ltd: Shareholder's/Investors Grievance Committee (Member) Texmaco Infrastructure & Holdings Ltd: Audit Committee (Member) Stakeholders Relationship Committee (Member) Nomination and Remuneration Committee (Member) Zuari Agro Chemicals Ltd: Nomination and Remuneration Committee (Member) CSR Committee (Member) Stakeholders Relationship Committee (Member) Texmaco Rail & Engineering Limited: Stakeholders Relationship Committee (Chairman) Nomination and Remuneration Committee (Member)

*Appointed w.e.f. 28th May, 2016

§Appointed w.e.f. 10th May, 2016

