

TIL LIMITED

CIN: L74999WB1974PLC041725

Registered Office:

1 Taratolla Road, Garden Reach, Kolkata 700 024

Phone: (033) 6633 2000/2845, Fax: (033) 2469 3731/2143

Website: www.tilindia.in



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-Ninth Annual General Meeting of the Members of TIL LIMITED ('the Company') will be held on Monday, the 28th July 2014 at 10 a.m. at the Registered Office of the Company at 1, Taratolla Road, Garden Reach, Kolkata- 700 024 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To consider declaration of dividend.
3. To appoint a Director in place of Dr. T. Mukherjee (DIN 00004777), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. 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 Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the said Act, Mr. U.V. Rao (DIN 00012490), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 28th July 2014."

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 Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the said Act, Mr. R.L. Gaggar (DIN 00322904), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 28th July 2014."

7. 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 Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the said Act, Mr. G. Swarup (DIN 00374298), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 28th July 2014."

8. 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 Sections 196, 197, 203 and other applicable provisions, if any, of

the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to all other Statutory approvals, sanctions, permissions and recommendations, if and when necessary, desirable and expedient in law, Mr. S. Mazumder (DIN 00116654) Vice Chairman & Managing Director be and is hereby appointed as the Chairman & Managing Director of the Company for a period of five years with effect from 1st June 2014 on agreed terms and conditions as detailed in the Explanatory Statement with liberty to the Board of Directors to alter, vary and modify such terms and conditions of his appointment and remuneration in such manner as may be agreed upon by and between the Board of Directors and Mr. S. Mazumder within and in accordance with the terms prescribed under Schedule V to the Act, or any amendment to the Schedule or the Act or any re-enactment(s) thereof and if necessary as may be agreed to between the Board of Directors and Mr. S. Mazumder.”

“RESOLVED FURTHER THAT the above remuneration including Performance Pay/Commission, Allowances and Perquisites shall be payable as minimum remuneration in the event of absence/inadequacy of net profits during any financial year as may be approved by the Remuneration Committee vis-à-vis the Board of Directors together with the approval of the Central Government, if and when necessary.”

“RESOLVED FURTHER THAT Mr. S. Mazumder may draw remuneration from M/s. TIL Limited (‘the Company’) or from M/s. Tractors India Private Ltd., a Wholly Owned Subsidiary of the Company wherein he is a managerial personnel viz. Executive Chairman or partly from both the Companies subject to provisions of the Companies Act, 2013 read with Schedule V thereto.”

“RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and is hereby authorised to take all appropriate actions required in the matter including filing up of necessary returns, documents with the statutory authorities in compliance with the relevant statutes or laws as may be applicable and amended from time to time.”

“RESOLVED FURTHER THAT pursuant to the provisions of Article 145, 110 and all other applicable provisions of the Articles of Association of the Company and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the period of office of Mr. S. Mazumder shall be liable to determination by retirement of Directors by rotation.”

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

“RESOLVED that in supersession of the Resolution under the erstwhile Section 293(1)(d) of the Companies Act, 1956 passed by the Members through Postal Ballot at the General Meeting held on 9th December 2011 and pursuant to enforcement of Section 180(1)(c) of the Companies Act, 2013 read with all other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors and/or to its Committee thereof, to borrow any sum or sums of money from time to time at their discretion from any Banks, Financial Institutions, etc., for the purpose of the business of the Company, wherein the money to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) upto a sum not exceeding ₹4000 million, and that the Board of Directors and/or its Committee be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to the interest, repayment, security or otherwise as it may think fit, proper and expedient.”

Date: 20th May 2014.
Place: Kolkata

By Order of the Board
SEKHAR BHATTACHARJEE
Company Secretary

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 21st July 2014 to Tuesday, 29th July 2014 (both days inclusive) for annual closing and payment of dividend.
2. Explanatory Statement relating to the items of Special Business as required under Section 102 of the Companies Act, 2013, is annexed hereto.
3. Members are requested to produce the enclosed Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the meeting hall.
4. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES 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.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting.

5. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 28th July 2014 to those Members whose names stand registered on the Company's Register of Members:-
 - a) as Beneficial Owners as at 20th July 2014 as per the list to be furnished by National Securities Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form; and
 - b) as Members in the Register of Members of the Company after giving effect to all the valid share transfers in physical form which are lodged with the Company before 21st July 2014.
7. The Ministry of Corporate Affairs vide its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has undertaken a 'Green Initiative' and allowed Companies to share documents with its shareholders through electronic mode. Members are

requested to support this Green Initiative by registering/ updating their e-mail addresses, in respect of shares held in dematerialized form with Depository Participants and in respect of shares held in physical form with M/s. C. B. Management Services (P) Ltd., the Registrar and Share Transfer Agent of the Company.

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. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.

9. Pursuant to Section 205A(5) of the Companies Act, 1956 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education & Protection Fund and thereafter no claims shall lie against the fund or the Company. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividend to the Fund are as under:

Dividends for the year	Date of Declaration of dividend	Due date of transfer to the Fund
2006-2007	24.07.2007	30th August 2014
2007-2008	29.07.2008	4th September 2015
2008-2009	28.07.2009	3rd September 2016
2009-2010	29.07.2010	4th September 2017
2010-2011	26.07.2011	1st September 2018
2011-2012	31.07.2012	7th September 2019
2012-2013	30.07.2013	6th September 2020

10. Members are requested to quote their Folio Number/Client ID and DP ID in all correspondence and Members holding shares in physical form are requested to advise change of address, if any, to the Company or its Share Transfer Agent. All intimation of change of address must state the PIN code for proper delivery.
11. Members are requested to immediately intimate their bank particulars giving the name of the bank, branch and type

of account to the Company's Registrar and Share Transfer Agent, M/s. C. B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700 019. It is extremely important for the interest of the Members to furnish bank particulars to avoid fraudulent encashment of dividend warrants.

12. 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.
13. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
14. Members are requested to bring their copies of the Annual Report and Accounts at the meeting.
15. Members may also note that the Notice of the 39th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.tilindia.in 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.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m to 6.00 p.m) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

17. INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

The particulars of Director(s) proposed to be appointed/re-appointed are given below:

Name	: Dr. T. Mukherjee
Date of Birth	: 13th October 1942
Qualifications	: D Met (Sheffield), FR Engg., FNAE
Date of last appointment:	30th July 2013
Experience	: Dr. Tridibesh Mukherjee joined Tata Steel as a Research and Development Engineer and later rose to occupy key positions such as Executive

Director on the Board of Tata Steel in 2000 and became Dy. Managing Director (Steel) in 2001. He was also a Director of Tata Chemicals for 8 years, till 31.03.09.

Dr. Tridibesh Mukherjee was a Visiting Lecturer at the University of Sheffield in 1980 and in 1981, when he was a member of the faculty in the post-graduate course on Iron Making and Steel Making. He received the Bessemer Gold Medal, was elected a Fellow of the Royal Academy of Engineering and was conferred an honorary degree of Doctor of Metallurgy by the University of Sheffield. He served a three year term, between 2005 and 2007, as the Chairman of the Technological Committee of the International Iron and Steel Institute.

Dr. Mukherjee has been closely associated with the acquisitions of Natsteel Asia, Singapore; Millennium Steel, Thailand and finally Corus. He held the position of Group Director (Technology and Integration), responsible for all research, technology and performance improvement functions, internationally, across the Tata Steel Group, till his retirement on 31.03.09. Dr. T. Mukherjee was the Chairman of Tata Metaliks, Jamipol, Metal Junction, Hooghly Met Coke and Power Ltd., Sila Eastern Thailand; Board Member of Tata Yodogawa, Tata Refractories, Tata Timken and many other companies.

He has also been appointed as a member of Board of Governors, IIT Patna.

Chairman/ Director of other Companies : Director : West Bengal Industrial Development Corporation Limited
Director : Bharat Forge Limited
Director : Nicco Corporation Ltd.
Director : Rane (Madras) Limited
Director : Tata Advanced Materials Ltd.
Director : IFB Industries Ltd.
Director : Tractors India Pvt. Ltd.

Committee positions held in other Companies : Member: Rane (Madras) Limited
Member: Tractors India Pvt. Ltd.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Mr. U.V. Rao (DIN 00012490) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in August, 1994. Mr. Rao is Chairman of the Audit Committee and a Member of the Remuneration & Compensation Committee of the Board of Directors of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. U.V. Rao former CEO & Managing Director of Larsen & Toubro Ltd., is B.E. in Electrical Engineering; Post Graduate from Indian Institute of Science, Bangalore in Power Engineering; Post Graduate from Bombay University in Industrial Management; has studied Advanced Management at the Harvard Business School and at Stanford University USA.

He is currently on the Board of reputed companies like Kirloskar Brothers Ltd., Kirloskar Oil Engines Ltd., Dickinson Fowler Pvt. Ltd. He is Chairman of the Audit Committee of the Board of Directors of Kirloskar Oil Engines Ltd. and a Member of the Audit Committee of the Board of Directors of Kirloskar Brothers Ltd.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years commencing from 28th July 2014.

In the opinion of the Board, Mr. Rao fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rao as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rao, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO. 6

Mr. R.L. Gaggar (DIN 00322904) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May 1985. Mr. Gaggar is Chairman of the Shareholders'/ Investors' Grievance Committee and Remuneration & Compensation Committee and a Member of the Audit Committee of the Board of Directors of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Gaggar is a practicing Solicitor & Advocate for more than 50 years. He is Bachelor of Law having vast experience in the field of Law. He is also on the Board of various reputed companies like Paharpur Cooling Towers Ltd., Sarda Plywood Industries Ltd., Somany Ceramics Ltd. and many more. He is also a Member of the Audit Committee and Remuneration Committee of the Board of Directors of Somany Ceramics Ltd., Shree Cement Ltd., Paharpur Cooling Towers Ltd.,

Sarda Plywood Industries Ltd. and International Combustion (India) Ltd.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Gaggar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years commencing from 28th July 2014.

In the opinion of the Board, Mr. Gaggar fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gaggar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gaggar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO. 7

Mr. G. Swarup (DIN 00374298) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in March 2008. Mr. Swarup is a Member of the Audit Committee of the Board of Directors of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. G. Swarup is the Managing Director of Paharpur Cooling Towers Ltd., he has done Bachelor of Engineering, from Jadavpur University, Kolkata (1978) and Master of Business Administration, Harvard University, USA (1980). He is associated with many reputed companies like KSB Pumps Ltd., Upper Ganges Sugar & Industries Ltd., Chemical & Metallurgical Design Company Ltd. including Foreign Companies like Safind Forest Products (Pty) Limited, Paharpur U.S.A Inc., Paharpur Mauritius Limited.

Apart from being a Member in various committees of many companies he is also a Member of the Audit Committee of the Board of KSB Pumps Ltd, Paharpur Pragnya Tech Park Private Limited, Paharpur Pragnya Realty Private Limited. Mr. G. Swarup is the Member of the Board of Governors, Indian Institute of Management, Kolkata.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Swarup being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years commencing from 28th July 2014.

In the opinion of the Board, Mr. Swarup fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Swarup as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Swarup, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO. 8

Mr. S. Mazumder (DIN 00116654), Vice Chairman & Managing Director was unanimously appointed as the Chairman & Managing Director of the Company to be effective from 1st June 2014 by the Board of Directors at their meeting held on 20th May 2014 for a period of five years consequent to relinquishment of the position of Chairmanship by Mr. A. Mazumdar to be effective from 1st June 2014. The present tenure of Mr. S. Mazumder as Vice Chairman & Managing Director of the Company would be expiring on 31st May 2014.

Mr. S. Mazumder joined the Company in 1987 and was appointed as the Managing Director of the Company in July 1995. He became the Vice Chairman & Managing Director of the Company with effect from April 2008. He is also the Chairman (Executive) of Tractors India Private Limited, a wholly owned subsidiary of the Company. Further, he is also a Director in Myanmar Tractors Ltd., Myanmar; TIL Overseas Pte. Ltd., Singapore and Tractors Nepal Pvt. Ltd., Nepal; The Coles Cranes Group Ltd., United Kingdom etc. He is also a Member of the Shareholders'/ Investors' Grievance Committee of the Board of Directors of the Company. Mr. Mazumder is a Director of The Bengal Club Ltd. and is also a Member of the Advisory Board of Calcutta Business School. He is also the President Designate of Confederation of Indian Industry (CII), New Delhi.

The approval of the Members are being sought to the terms, conditions and stipulations for the appointment of Mr. Mazumder as the Chairman & Managing Director and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 20th May 2014) are keeping in line with the remuneration package that is necessary to continue to encourage good professional managers with a sound career record to important position such as that occupied by Mr. Mazumder.

The material terms of appointment and remuneration are as under:-

1. **Tenure** : For a period of Five years with effect from 01/06/2014

2. **Basic Salary (per annum)** : In the pay scale: ₹ 57,60,000/- to ₹ 80,00,000/- with Annual Increment subject to approval of the Board of Directors of the Company.

3. **Perquisites & Allowances** : As per Rules of the Company.

4. **Performance pay/ Incentive** : As per Rules of the Company and as may be approved by the Board and Remuneration Committee but not exceeding ₹ 1,30,00,000/- (Rupees One Crores Thirty Lacs only).

5. **Commission** : Commission as approved by the Board on annual basis, subject to a maximum of 2% of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013 excluding Managerial Remuneration as mentioned in Section 197 of the Companies Act, 2013.

6. **Minimum Remuneration** : Where in any financial year, during the currency of the tenure, the Company has no profits or its profits are inadequate, the minimum remuneration shall be basic salary+perquisites & Allowances +performance pay for that year as may be determined by the Board and/or by the Central Government (if necessary) at the recommendation of the Remuneration Committee but such performance pay shall be restricted to a sum of ₹ 1,30,00,000/- (Rupees One Crores Thirty Lacs only).

7. **Revision in Remuneration** : The aforesaid remuneration including salary, allowances, commission, perquisites etc. may be increased by the Board of Directors as may be considered appropriate from time to time as well as in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of the Companies Act, 2013, within such prescribed limits.

8. **Termination** : Subject to three (3) months' notice from either side or payment of an amount equivalent to three (3) months' salary and also subject to the provisions of other Agreements, if any, in this respect with the Company.

9. **Retirement by Rotation and Sitting Fees** : The appointment shall be subject to retirement by rotation during the tenure pursuant to the provisions of Article No. 145 of the Articles of Association of the Company. However, no sitting fees shall be paid for attending meetings of the Board of Directors or any committee thereof.

The above may be considered as an abstract under Section 190 of the Companies Act, 2013 of the terms & conditions of the appointment of Mr. S. Mazumder as the Chairman & Managing Director of the Company.

During the tenure of Mr. S. Mazumder, the Company has been

able to maintain a steady performance in terms of turnover and profitability over almost three decades. It was under the guidance of Mr. Mazumder that TIL featured in India's Top 500 Companies, a publication by Dun & Bradstreet in the year 2007. The Company also won the Construction World-NICMAR Award for being the second largest Indian Construction Equipment Company in the same year. The Company was also awarded as the fastest growing Construction Equipment Company by Construction World in the year 2011.

In view of the above, the Board considers that Mr. Mazumder's continued association would be of immense benefit to the Company and it is desirable that the Company continue to avail the services of Mr. Mazumder. The Board of Directors of the Company recommends passing of the resolution relating to appointment of Mr. S. Mazumder as the Chairman & Managing Director of the Company, for approval by the shareholders of the Company.

Pursuant to the provisions of the Companies Act, 2013 read with Article No. 145 of the Articles of Association of the Company the Board of Directors at their meeting held on 20th May 2014 have determined that Mr. S. Mazumder's office as a Director would be liable to determination by retirement of Directors by rotation.

None of the Directors is concerned or interested in the resolution set out at Item No. 8 except Mr. A. Mazumdar and Mr. S. Mazumder being brothers and relative. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO. 9

The Members of the Company through Postal Ballot at the General Meeting held on 9th December 2011 passed a Resolution under Section 293(1)(d) of the Companies Act, 1956 to approve and accord their consent to the Board of Directors and/or to its Committee thereof, to borrow any sum or sums of money from time to time at their discretion from any Banks, Financial Institutions, etc., for the purpose of the business of

the Company, wherein the money to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) upto a sum not exceeding ₹ 4000 million, and that the Board of Directors and/or its Committee be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to the interest, repayment, security or otherwise as it may think fit, proper and expedient.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

It is, therefore, necessary for the Members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of Members is being sought to borrow money upto the same limit as existing under the erstwhile Companies Act, 1956, viz., ₹ 4000 million (Rupees Four thousand million).

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

Date: 20th May 2014.

Place: Kolkata

By Order of the Board
SEKHAR BHATTACHARJEE
Company Secretary

