



McNALLY BHARAT ENGINEERING COMPANY LIMITED

Corporate Identity Number (CIN): L45202WB1961PLC025181

Registered Office:

4 Mangoe Lane, Kolkata- 700 001, West Bengal, India

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E-mail: mbecal@mbecl.co.in | Website: <http://www.mcnallybharat.com>

NOTICE

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Members of McNally Bharat Engineering Company Limited will be held on Monday, September 28, 2015, at 02:30 p.m at The Williamson Magor Hall, The Palladian Lounge, The Bengal Chamber of Commerce & Industry 6, Netaji Subhas Road, Kolkata – 700001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2015, the Profit and Loss account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To ratify the appointment of Statutory Auditors for holding office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting for the year ending March 31, 2016, and authorize the Board to fix their remuneration. M/s Lovelock & Lewes, Chartered Accountants (FRN: 301056E), retiring Auditors being eligible, offer themselves for reappointment.
3. To appoint a Director in place of Mr. Aditya Khaitan (DIN: 00023788) who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Amritanshu Khaitan (DIN: 00213413) who retires by rotation and, being eligible, offers himself for re-election

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 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. A. K. Barman, (holding DIN 02373956), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier.”

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 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. V. K. Verma, (holding DIN 00766426), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier.”

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 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. P. H. Ravikumar, (holding DIN 00280010), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier.”

8. 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 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. S.R. Dasgupta, (holding DIN 01401511), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT in terms of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditors namely, A. Bhattacharya & Associates, for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2016 as approved by the Board of Directors based on the recommendations of the Audit Committee, the details of which are given in the Explanatory Statement in respect of this item of business be and is hereby ratified.”

10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) made thereof, for the time being in force) read with Schedule IV of the Companies Act, 2013, Ms. Nandini Khaitan (DIN: 06941351), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 30, 2015, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, to propose Ms. Nandini Khaitan as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term up to March 29, 2020, and whose office shall not be liable to retire by rotation.”

11. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Section 42, 62(1)(c), 71 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) including the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and provisions of the Memorandum

and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges where the equity shares of the Company are listed and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR") (including any amendment thereto or re-enactment thereof, for the time being in force), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Securities and Exchange Board of India ("SEBI"), the Government of India ("GOI"), the Stock Exchanges, Department of Industrial Policy & Promotion, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities") and subject to such conditions as may be prescribed while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitutes to exercise its powers including the powers conferred by this Resolution), the Board be and is hereby authorized to issue, offer and allot equity shares/fully convertible debentures/ partly convertible debentures / non-convertible debentures with warrants/any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers ("QIBs") on private placement basis in accordance with Chapter VIII of the SEBI ICDR, whether or not such QIBs are Members of the Company, on the basis of placement document(s) and/or an offer document and / or private placement offer letter and/or such other documents/writings/ circulars / memoranda in such manner, at such time or times in one or more tranche or tranches by way of cash at par or at such price or prices subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR, and on such terms and conditions and in such manner as the Board may, in its absolute discretion, determine, considering the prevailing market conditions and other relevant factors, in consultation with the Book Running Lead Managers, Advisors or other intermediaries, provided however that the aggregate amount raised by issue of QIP Securities as above shall not exceed a sum of Rs. 200 Crores.

"RESOLVED FURTHER THAT the relevant date for the determination of the applicable price for the issue of the QIP Securities shall be the date on which the Board decides to open the proposed issue, or the date on which the holder of the QIP Securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the equity shares, as the case may be ("Relevant Date").

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any QIP Securities referred to above or as may be necessary in accordance with the terms of the offering and that all such shares shall rank pari passu with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.

"RESOLVED FURTHER THAT the Board may at its absolute discretion, issue the QIP Securities at a discount of not more than 5% (five percent) on the price calculated for the QIP or such other discount as may be permitted under the applicable regulations to the QIP Floor Price as determined in accordance with the SEBI ICDR.

"RESOLVED FURTHER THAT the QIP Securities shall be issued and allotted within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR.

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of QIP Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of marketing and similar agreements and to remunerate the Book Running Lead Managers, and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of QIP Securities, finalization of the number of QIP Securities to be issued in each tranche thereof, form, terms and timing of the issue of QIP Securities including for each tranche of such issue of QIP Securities, identification of the investors to whom QIP Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, making such other applications to concerned statutory or regulatory authorities, and to have powers on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

"RESOLVED FURTHER THAT for the purpose of the aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of QIP Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage/hypothecation / charge on the Company's assets under Section 180(1) (a) of the said Act in respect of the aforesaid QIP Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

"RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the Government of India / Reserve Bank of India / Securities & Exchange Board of India / Stock Exchanges where the shares of the Company are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

12. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 ('the Act') read with the applicable provisions of Schedule V to the Act, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other statutory provisions as may be applicable and subject to such approvals, if any, as may be required, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive recovery of excess remuneration amounting to Rs. 21616007.87 paid to Late Deepak Khaitan as the Executive Chairman of the Company during the Financial Year ended 31st March, 2015, over and above the limit prescribed under the provisions of Section 197 of the Act which is within the limits approved by the Members through Special Resolution in their Extra Ordinary General Meeting held on 30th July, 2015, and that subject to the approval of the Central Government, the excess Managerial Remuneration of Rs. 21616007.87 paid to Late Deepak Khaitan, Executive Chairman during the financial year ended 31st March, 2015 be and is hereby approved.

“**FURTHER RESOLVED** that the Board of Directors, Nomination & Remuneration Committee of the Board and the Whole Time Director & Group CFO of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”

By Order of the Board of Directors
For **McNally Bharat Engineering Company Limited**
Prabir Ghosh
Whole Time Director & Group CFO

Kolkata, August 13, 2015

NOTES

- The Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to special business set out in the Notice is annexed hereto.
- Members entitled to attend and vote at the Annual General Meeting (AGM) may appoint a Proxy to attend and vote thereat instead of himself. Proxy need not be a Member of the Company. Proxy forms, duly completed and stamped, must be received at the Company's Registered Office situated at 4 Mangoe Lane, Kolkata – 700001 at least forty-eight hours before the Meeting to be effective.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- The Company is providing the facility of remote electronic voting to the Members and the details are set out in the Annexure set herewith.
- The voting rights for the shares are one vote per equity share registered in the name of the shareholders/ beneficial owners as of cut-off date of September 21, 2015.
- The facility for voting through ballot will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.
- The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2015 to September 27, 2015 (both days inclusive).
- Pursuant to the provisions of Section 205A of the Companies Act, 1956, / Section 124 of the Companies Act, 2013, the amount of the Dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
- The Shareholders are requested to send directly all documents, transfer, demat requests and other communication in relation thereto to the Registrar at their following address:
M/S Maheshwari Datamatics Pvt. Ltd.
Unit : **McNally Bharat Engineering Co. Ltd.**
6 Mangoe Lane, 2nd Floor
Kolkata – 700001
- Members may also note that the Annual Report of the Company for the Financial Year 2014-15 and the Notice of the AGM to be held on September 28, 2015, will be available on the Company's portal <http://www.mcnallybharat.com/>
- The information as required to be provided in terms of the Listing Agreement with the Stock Exchanges regarding the Directors who are proposed to be appointed/re-appointed is annexed.
- Members desiring any information as regards the Accounts are requested to write to the Company at least seven days prior to the meeting so as to enable the Management to keep the information ready at the Meeting.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE MEETING:

ITEM NOS. 5 TO 8

The Company appointed Mr. A.K. Barman, Mr. V.K. Verma, Mr. P.H Ravikumar and Mr. S.R Dasgupta who, have been discharging the role and functions of Independent Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. The term of office of the aforesaid Directors was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 of the Companies Act, 2013 ('the Act'), the Company is required to appoint at least one-third of its total number of Directors as Independent Directors for a fixed term and their office shall not be liable to determination by retirement of Directors by rotation. Accordingly in compliance of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Act each of Mr. A.K. Barman, Mr. V.K. Verma, Mr. P.H Ravikumar and Mr. S.R Dasgupta is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier. Separate notices have been received from Members referring to Section 160 of the Act proposing each of them respectively for appointment as an Independent Director at the forthcoming annual General Meeting of the Company The aforesaid persons have the desired qualifications and in depth experience in their respective field and have held very high positions in different renowned organizations.

The particulars of the aforesaid Directors namely, age, qualification, past experience and other details are given below.

In the opinion of the Board, each of Mr. A.K. Barman, Mr. V.K. Verma, Mr. P.H Ravikumar and Mr. S.R Dasgupta fulfils the conditions specified in the Act and meets the criteria of independence specified in Section 149(6) of the Act and Rules made thereunder for appointment as an Independent Director. The Board considers that the continued association of the aforesaid persons would be of immense benefit to the Company and it is desirable to continue

to avail their services as Independent Directors. Accordingly, the Board recommends the resolutions set out at Item Nos. 5 to 8 of the convening Notice for approval by the Shareholders of the Company.

Mr. A.K. Barman, Mr. V.K. Verma, Mr. P.H Ravikumar and Mr. S.R Dasgupta and their relatives may be considered to be interested in the respective Resolution in so far as they relate to them individually. No other Director or the Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in respect of the said resolutions.

Name of Director	Mr. A. K. Barman
Date of Birth	06-11-1948
Qualification	B Sc. (Chemistry), IAS (Retired)
Expertise in specific functional areas	Administration, Power, Environment, Urban Governance, etc.
Brief Profile	Mr. Asim Kumar Barman, IAS, (Retired) is Non-Executive Independent Director of McNally Bharat Engineering Company Ltd. He retired as Chairman of DVC. Mr. Barman held posts like Principal Secretary Department of Environment and Department of Public Health Engineering (Water Supply and Sanitation, Government of West Bengal, Principal Secretary, Department of Health & Family Welfare.
Directorships held in other Companies (excluding foreign Companies)	Aquagreen Engineering Management Private Limited
Committee Membership, if any, with position in other Companies	Nil
Shareholding in the Company	Nil

Name of Director	Mr. P. H. Ravikumar
Date of Birth	20-07-1951
Qualification	B Com., CAIIB, AIB (London)
Expertise in specific functional areas	Banking and Financial Service Sector
Brief Profile	Mr. P. H. Ravi Kumar has over 37 years of experience in financial services sector including over 32 years as a commercial banker, spanning retail, corporate and treasury banking areas in India and abroad. He has a Bachelor's Degree in Commerce from Osmania University, Hyderabad and is an Associate of Indian Institute of Bankers, Mumbai and of Chartered Institute of Bankers London. He is also a fellow of Chartered Institute of Securities and Investment, London. He is currently the Managing Director and CEO of Invent Assets Securitisation & Reconstruction Private Limited. He was earlier the Managing Director & CEO of NCDEX Ltd. and was also the Senior General Manager & Head of Emerging Corporate (SMEs) & Agri Business at ICICI Limited.
Directorships held in other Companies (excluding foreign Companies)	i. SKS Microfinance Ltd. ii. Bharat Forge Limited iii. L&T Investment Management Limited iv. Escorts Limited v. I.G. Petrochemicals Limited vi. Vastu Housing Finance Company Limited vii. BOB Capital Markets Limited viii. Aditya Birla Capital Advisors Private Limited ix. Mya Health Credit Private Limited x. Ace Global Depository (India) Private Limited xi. Namu Eco Alternatives India Private Limited xii. LTC Commercial Company Private Limited xiii. UTPC Corporate Trustees Pvt. Ltd
Committee Membership, if any, with position	I. Chairman of Audit Committee and Stakeholders' Relationship Committee and Member of Nomination & Remuneration Committee of SKS Microfinance Ltd II. Member of Audit Committee of Bharat Forge Limited III. Member of Audit Committee of BOB Capital Markets Limited IV. Member of Audit Committee of Aditya Birla Capital Advisors Private Limited V. Member of Audit Committee and Nomination & Remuneration Committee of L&T Investment Management Limited VI. Chairman of Audit Committee of Vastu Housing Finance Company Limited VII. Chairman of Audit Committee of Ace Global Depository (India) Private Limited VIII. Member of Audit Committee of I.G. Petrochemicals Limited
Shareholding in the Company	Nil

Name of Director	Mr. V. K. Verma
Date of Birth	02-11-1931
Qualification	B Com (Hons.), DBM, FCA, FCS
Expertise in specific functional areas	Chartered Accountant, Business Executive
Brief Profile	Mr.V.K. Verma is a Chartered Accountant who has been in the profession for more than five decades and is actively associated with the Company in the areas of company law, other corporate laws and direct and indirect taxation.
Directorships held in other Companies (excluding foreign Companies)	Nil
Committee Membership, if any, with position in other Companies	Nil
Shareholding in the Company	700

Name of Director	Mr. S. R. Dasgupta
Date of Birth	10-10-1945
Qualification	B A (Eco.), Business executive
Expertise in specific functional areas	Business Executive
Brief Profile	Mr. S R Dasgupta has a vast experience in managing the business and affairs of large companies. He has held positions as Area Chairman of Eveready Battery Company for all Asia and Africa Operation (1999-99), the Vice President / Managing Director of Eveready Singapore Pte. Ltd. (1996-98) and
Directorships held in other Companies (excluding foreign Companies)	i. Kilburn Engineering Limited ii. McNally Sayaji Engineering Limited iii. China Town Properties (Pvt) Limited iv. Cairnhill Development (Pvt) Limited v. Cairnhill Stud Farm Private Limited vi. Cairnhill Infrastructure Private Limited vii. Calsin Overseas Private Limited viii. Space Olympia Properties Private Limited ix. Olympia Cairnhill Development Private Limited
Committee Membership, if any, with position	I. Member of Audit Committee and Nomination & Remuneration Committee of Kilburn Engineering Limited II. Member of Audit Committee and Nomination & Remuneration Committee of McNally Sayaji Engineering Limited
Shareholding in the Company	2500

Item No. 9

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of A. Bhattacharya & Associates, Cost Accountants, as Cost Auditors of the Company, subject to approval(s) as may be necessary, for auditing the cost accounts of the Company relating to the products as applicable for the financial year 2015-16 at a remuneration of Rs. 2,00,000/- and service tax at the applicable rate and reimbursement of out of pocket expenses at actual.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders of the Company.

The Board recommends the resolution set out at Item No. 9 for the approval of the Members of the Company.

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

Item No. 10

Miss. Nandini Khaitan was appointed with effect from March 30, 2015, as an Additional Director to hold office up to the date of the forthcoming Annual General Meeting.

The particulars of Miss Nandini Khaitan namely, age, qualification, past experience and other details are as under:

Date of Birth	15-02-1980
Qualification	LLB, LLM (Columbia Law School, NY)
Expertise in specific functional areas	Legal Counsel
Directorships held in other Companies (excluding foreign Companies)	i. Dhunseri Tea & Industries limited ii. Williamson Financial Services Limited iii. International Conveyors Limited iv. Spencer's Retail Limited v. CESC Infrastructure Limited vi. GMMCO Limited vii. XPRO India Limited
Committee Membership, if any, with position	Nil
Shareholding in the Company	Nil

The Company has received a notice along with the requisite fee of Rs. One Lakh from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Miss. Nandini Khaitan as an Independent Director of the Company.

The Company has received from Miss. Nandini Khaitan a letter of consent to act as an Independent Director of the Company and intimation that she is not disqualified under Section 164(2) of the Companies Act, 2013.

The Company seeks the approval of the Members for the appointment of Miss. Nandini Khaitan to act as an independent director of the Company for a term upto March 29, 2020, and her office shall not be liable to retire by rotation.

Your Directors are of the opinion that Miss. Nandini Khaitan fulfils all the required conditions under the provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) made thereof, for the time being in force), for such appointment.

None of the Directors, other than Miss. Nandini Khaitan, are interested or concerned in the resolution.

Your Directors recommend the resolution for appointment of Miss. Nandini Khaitan for approval of the members

Item No. 11

In order to meet a part of its fund requirements for capital expenditure for ongoing and future expansion projects, working capital, repayment of loans and for general corporate purposes, the Company proposes to raise funds not exceeding a sum of Rs.200 Crores by new issue of securities in such form, subject to such terms and conditions in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to Qualified Institutional Buyers as defined in Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements), Regulations, 2009, as amended, as may be decided by the Board of Directors of the Company ("the Board") or any Committee constituted by the Board for the purpose in accordance with the applicable rules, regulations and guidelines.

The pricing of Securities as may be issued to the Qualified Institutional Buyers, pursuant to the SEBI ICDR, shall be not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR (QIP Floor Price) subject to applicable law, and a discount of not more than 5% (Five Percentage) or such percentage as permitted may be offered under applicable law on the QIP Floor Price, and further the relevant date for pricing shall be the date of the meeting in which the Board decides to open the proposed QIP issue.

The proposed issue and allotment of securities as aforesaid requires approval of the Members by way of a Special Resolution pursuant to the provisions of section 62(1) (c) and other applicable provisions, if any of the Companies Act, 2013 and the relevant provisions of the listing agreements executed by the Company with the Stock Exchanges.

The Board accordingly recommends the special resolution set out at Item No. 11 for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out in item No. 11 except they may be deemed to be concerned or interested in this item of business to the extent of the new securities that may be offered and allotted to any of the Companies or Institutions in which such persons may also be Directors / Members / Employees.

Item No. 12

Late Deepak Khaitan was appointed on September 23, 2011 as the Executive Chairman by the Members of the Company for a period of 5 years on the following terms and conditions and remuneration package as described hereunder:

Salary: Rs. 1,250,000/- per month currently, in the scale of Rs. 1,000,000 to Rs. 5,000,000, with authority to the Board of Directors to revise the same from time to time and give such annual increment/increase.

House Rent Allowance: Free furnished accommodation with the cost of gas, electricity, water, soft furnishings and telephone will be borne by the Company. In case no accommodation is provided to the Executive Chairman, he will be paid House Rent Allowance at the rate of 60% of his salary.

Performance Bonus: Payable annually, for each financial year, as may be determined by the Board.

Variable Pay and Other Benefits like Reimbursement of Expenses incurred for and on behalf of the Company and Medical Reimbursement: As may be determined by the Board of Directors from time to time.

All the perquisites shall be limited to the ceiling as laid down in Schedule V to the Companies Act, 2013.

Provided that -

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of such Rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contributions to the Provident Fund Scheme and the Superannuation Fund Scheme in accordance with the Company's rules and regulations in force from time to time, shall not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable, under Income Tax Act, 1961.

The Company's contributions to the Gratuity Fund in accordance with the Rules of the Company shall not be included in the computation of ceiling on perquisites.

Encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites/allowances aforesaid.

Provision for the use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance calls) shall not be included in the computation of ceiling of perquisites.

The total remuneration payable to the Executive Chairman by way of Salary, performance bonus and perquisites shall not exceed 5%, and along with other Whole Time Directors, if, any, 10% of the entire profit of the Company, calculated in accordance with Sections 197 and 198 of the Companies Act, 2013. In the event of absence or inadequacy of profit during the period, the Executive Chairman shall be paid the above remuneration as minimum remuneration.

The financial payouts made to Late Deepak Khaitan may be treated as his financial interest in the proposed resolution. Late Deepak Khaitan held no shares of the Company. Apart from Late Deepak Khaitan in his personal capacity and except with Mr. Aditya Khaitan and Mr. Amritanshu Khaitan, who are his brother and son respectively, no other director or relative of such director or any other key managerial personnel of the Company, are interested or concerned in the proposed resolution in any manner.

The Members of the Company at their Extra Ordinary General Meeting held on 30th July, 2015 had approved, through a special Resolution, the above remuneration to be paid to Late Deepak Khaitan, Executive Chairman even in case of absence/ inadequacy of profit during the financial year. As per the explanation given in Section II, Part II of Schedule V of the Companies Act, 2013, the limit specified in the said section shall be doubled on the basis of such special resolution. Under the revised limit, the excess remuneration paid is 21,616,007.87/- (Rupees Two Crores Sixteen Lakhs Sixteen Thousand and Seven, and Eighty Seven Paise only).

Information required to be given as per Part-II of Schedule-V to the Companies Act, 2013

INFORMATION ABOUT THE APPOINTEE:

Background Details :

Late Deepak Khaitan was the eldest son of Mr. B.M. Khaitan and a renowned industrialist. Late Deepak Khaitan's company Eveready Industries India Limited is one of the most renowned and enduring FMCG companies with the operations entrenched in the country for over 100 years. He had in-depth exposure to and over 30 years of experience in steering diverse business enterprises in India and had gained considerable experience and expertise in management of Tea, Batteries and Engineering Industries. Based on his leadership, your Company has grown from a small turnover of Rs 123 Crore (approx), during FY 1995-96, to the present level having Order backlog of more than Rs.5000 Crores.

Late Deepak Khaitan had been the Executive Chairman of McNally Bharat Engineering Co. Ltd and Non-Executive Vice-Chairman of Eveready Industries India Limited, Chairman of McNally Sayaji Engineering Limited and a Director of the Williamson Magor Group of Companies along with Directorship in many other companies. Late Deepak Khaitan secured First class in B.Com (Hons.) from St. Xaviers College and thereafter moved to Geneva to complete his MBA.

Mr. Khaitan passed away on March 9, 2015.

Past Remuneration :

(Figures in Rs.)

Period		Salary	Perquisites Allowances	Commission, & bonus and performance linked incentive	Others including retivals	Total
From	To					
August 12, 2011	March 31, 2012	14,143,548	2,316,480	–	1,185,000.00	17,645,028.00
April 1, 2012	March 31, 2013	20,200,215	2,250,000	–	8,178,269.85	30,628,484.85
April 1, 2013	March 31, 2014	18,500,000	20,897,819	–	2,131,250.00	41,529,069.00

Job profile and their suitability:

Late Deepak Khaitan, as the Executive Chairman, was responsible for overall management of the Company under the supervision of the Board of Directors of the Company. Considering his background, experience and qualification, Late Deepak Khaitan was most suitable to perform his duties.

Excess Remuneration to be approved:

As mentioned in the Resolution and Explanatory Statement.

Comparative Remuneration, Profile with respect to industry:

The remuneration is commensurate with the remuneration package of the senior management executive in the similar companies as well as industrial norms, function of the Executive Chairman, magnitude of the company, nature and extent of operation.

Pecuniary Relationship:

Late Deepak Khaitan was a Promoter Director of the Company. Apart from receiving remuneration as mentioned above, Late Deepak Khaitan had no other financial interests in the Company. Late Deepak Khaitan is not related to any other managerial personnel of the Company except with Mr. Aditya Khaitan and Mr. Amritanshu Khaitan, who are his brother and son respectively.

GENERAL INFORMATION:

Nature of Industry

Engineering, Procurement and Construction (EPC) line of activities.

Date of commencement of commercial production

This is an active Company and is in operation since 1961.

Financial Performance based on given indicators

For the financial year ended March 31, 2015 –

Turnover: Rs. 218,199.88 lacs

Expenses: Rs. 235,721.94 lacs

Loss Before Taxes: Rs. 11,422.06 lacs

Tax Expense: Nil

Loss After Taxes: Rs. 11,422.06 lacs

Earnings per Equity Share: Rs. 36.42 (Basic), Rs. 36.38(Diluted)

Foreign Investments or collaborations

The Company has the following major foreign subsidiaries:

MBE Mineral Technologies Pte Ltd: Invested amount is US\$ 5,011,373 (649,459 Equity Shares of S'pore Dollar 10 each)

MBE Minerals Zambia Ltd: Invested amount is US\$ 10,000 (49,999,996 Equity Shares of ZMK 1 each)

McNally Bharat Engineering (SA) Proprietary Limited: Investment in 100 Equity Shares of ZAR 20.37 each fully paid.

Other Information:

Reasons for Loss or inadequacy of profits

The volatile financial and commodity markets resulting in high raw material prices, severe financial crunch in the market along with high interest cost of borrowings and the general inflationary pressure combined to exert intense pressure on the financial performance of the Company thus causing inadequacy of profits.

Steps taken or proposed to be taken for improvement

The Company has signed an Investment agreement with a strategic Partner namely EMC Limited, who will contribute substantially to the Equity of the Company. Further, the business knowledge, experience of EMC limited and synergies of business between the two companies will not only help the Company to bring business, but at the same time will help the Company to execute the project more successfully and cost efficiently. This will also help the company to have a better operating cash flow and paying out some high interest bearing debts including bank borrowings. By this process, the Company expects to reduce its current levels of credit availed thus generating savings due to lower levels of servicing fixed-interest bearing financial obligations. To broad base its target market; the Company has successfully started its entry into construction into Oil & Gas sector, overseas projects, EPC projects in Cement sector and large infrastructure projects.

Expected increase in productivity and profits in measureable terms

The Company has a large Order Book (approx Rs.5,300 crores) in spite of slowdown in the industrial sector. It has received several high value orders from reputed clients (both Government and Private Sector). With the reduction of finance cost, there will be a sharp improvement of working capital condition of the Company as well as availability of funds for the project execution. This will enable the Company to increase its productivity and project execution, which in turn will support the higher growth in its turnover for the financial year 2015-16 compared to the previous financial year. This will be evidenced from the growth of turnover from the 2nd quarter onwards, once the present capital raising program are completed. The Company maintains 7% to 8% EBIDTA on an average for its projects and it expects a similar margin in the future. Combining it with day to day support that will be available from our newly introduced strategic partner and in-house expertise in Engineering, Procurement and construction for timely execution of projects and efficient Contract and Financial Management, the Company expects to increase both its cash flows and profitability.

Venue Location Map

