

Cimmco Limited



REGISTERED OFFICE
756 ANANDAPUR
E M BYPASS,
KOLKATA- 700107
CIN: L28910WB1943PLC168801

TEL : (033) 4019 0800
FAX : (033) 40190823
WEBSITE: www.cimmco.in
E-MAIL: corp@cimmco.in

BY COURIER/ E-MAIL

24.10.2015

1. **National Stock Exchange of India Limited**
Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051
2. **Bombay Stock Exchange Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
3. **Delhi Stock Exchange Limited**
DSE House, 3/1, Asaf Ali Road, New Delhi 110002
4. **The Calcutta Stock Exchange Limited**
7, Lyons Range, Kolkata 700001
5. **Madhya Pradesh Stock Exchange Limited**
201, Palika Plaza – II, MTH Compound, Indore 452001

Dear Sirs,

Sub: Compliance of Clause 31

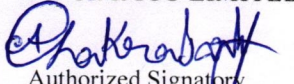
Pursuant to Clause 31 of the Listing Agreement we enclose herewith six copies of notices with respect to Extra-Ordinary General Meeting of the Company scheduled for 21st November 2015.

Please take this on record

Thanking you,

Yours faithfully,

For CIMMCO LIMITED


Authorized Signatory
Enclosed: As stated above

CIMMCO LIMITED

(CIN: L28910WB1943PLC168801)

Registered Office: 756, Anandapur, EM Bypass, Kolkata 700107 (West Bengal)

Phone: +91 33 4019 0800, Fax: +91 33 4019 0823, Website: www.cimmco.in, E-mail: corp@cimmco.in

EXTRA-ORDINARY GENERAL MEETING NOTICE

To

The Members,

NOTICE is hereby given that an Extra-Ordinary General Meeting (EGM) of the Members of the Company will be held on Saturday, November 21, 2015 at 11.00 A.M. at Kalakunj, 48, Shakespeare Sarani, Kolkata 700017 to transact the following business :

Special Business :

Item No.1

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

"RESOLVED THAT pursuant to the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Report of the Board of Directors of the Company to the Shareholders on the erosion of more than 50% of the Net Worth of the Company as at the end of the Financial Year ended March 31, 2015 in relation to its peak net worth during the immediately preceding four financial years, be and is hereby considered, approved and noted.

RESOLVED FURTHER THAT Board of Directors of the Company (which term shall include any Committee of the Board) be and is hereby authorised to take such steps as may be necessary including reporting of the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) in the prescribed form and in accordance with the provisions of Section 23 of SICA and to do all such acts, deeds and things as may be considered necessary, proper or desirable or expedient to give effect to the above resolution."

By Order of the Board of Directors

For CIMMCO LIMITED

Sd/-

Date : September 24, 2015

Place : Kolkata

Dipankar Ganguly

Company Secretary

NOTES :

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts pertaining to the aforesaid resolution is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, ON HIS BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Proxies in order to be effective must be received by the Company at its registered office address not less than 48 hours before the scheduled time of the commencement of the EGM.
5. All documents referred to in the Notice and accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11 A.M. and 3 P.M., upto the date of EGM.
6. Members are requested to bring their attendance slips annexed with this Notice of EGM.
7. **Voting through electronic means**
 - a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Company (Management and Administration) Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members the facility to exercise their vote through remote e-voting in respect of the resolution proposed to be passed at the ensuing EGM by using the electronic voting facility provided by the Karvy Computershare Private Limited.
 - b) **The remote e-voting period commences at 9:00 a.m. on Tuesday, November 17, 2015 and ends at 5:00 p.m. on Friday, November 20, 2015. The remote e-voting module shall be disabled by Karvy for voting thereafter.**
 - c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Saturday, the 14th November, 2015 may cast their vote electronically.
 - d) Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - e) Voting rights of the member shall be in proportion to their respective shareholding as on the cut-off date i.e. Saturday, the 14th November, 2015.

- f) The facility for voting through polling paper shall be made available at the EGM and members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through polling paper.
- g) The members who have cast their vote by remote e-voting prior to EGM may also attend the EGM but shall not be entitled to cast their vote again.
- h) Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. Saturday, the 14th November, 2015 should follow the instructions for E-voting as mentioned below for FIRST TIME USER. In case of any queries, the shareholder may also contact the Registrar & Transfer Agent.
- i) The Board of Directors has, at its meeting held on September 24, 2015 appointed M/s. M Rath & Co., Company Secretaries, as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- j) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at EGM through ballot paper.
- k) **The instructions for Shareholders voting electronically are as under :**

A. In case a member receiving an email of the EGM Notice from Karvy [for members whose email IDs are registered with the Depository Participant(s)]:

- i) Launch internet browser by typing the URL: **<https://evoting.karvy.com>**
- ii) Enter the login credentials (i.e., User ID and password). Event No. followed by Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii) After entering these details appropriately, Click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the "EVENT" i.e., CIMMCO LIMITED.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- ix) You may then cast your vote by selecting an appropriate option and click on "Submit".
- x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution.
- xi) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: mrathico@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
- xii) In case a person has become the Member of the Company after the dispatch of EGM Notice but on or before the cut-off date i.e. Saturday, the 14th November, 2015, may write to the Karvy on the email Id: varghese1@karvy.com or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: Titagarh Wagons Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xi) as mentioned in (A) above, to cast the vote.

B. In case of Members receiving physical copy of the EGM Notice by Post/Courier [for Members whose email IDs are not registered with the Depository Participant(s)] :

- i) User ID and initial password as provided at the bottom of the Attendance Slip :

EVEN (E- Voting Event Number)	USER ID	PASSWORD/PIN

- ii) Please follow all steps from Sr. No. (i) to (xi) as mentioned in (A) above, to cast your vote.

- C. The e-voting period commences on Tuesday, November 17, 2015 at 09:00 A.M. and ends on Friday November 20, 2015 at 05:00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Saturday, the 14th November, 2015, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
- D. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).
- E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Saturday, the 14th November, 2015.
- F. The Company has appointed M/s. M Rathi & Co., Practicing Company Secretaries as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer shall, after the conclusion of the EGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not more than three days from the conclusion of the EGM, prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit to the Chairman or any person authorised by him in writing, who shall countersign the same and declare the results of the voting.
- H. The results so declared along with Scrutinizer's Report shall be placed on the website link: <https://evoting.karvy.com/www.cimmco.in> and subject to the receipt of requisite number of votes, the resolution set out in the Notice shall be deemed to be passed on the date of the EGM. The results shall also be forwarded to the BSE and NSE.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

As per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, if the accumulated losses of an Industrial Company as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, the said Company is required:

- a) To report the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR), and
- b) To hold a general meeting of the shareholders of the company for considering such erosion.

As per the Audited Accounts of the Company for the financial year ended March 31, 2015 approved and adopted by the members at the 70th Annual General Meeting of the Company on 24th September, 2015, the accumulated losses of your Company as at March 31, 2015 amounting to Rs. 6496.49 lacs have resulted in erosion of more than 50% of its peak net worth during the four financial years immediately preceding the financial year ended March 31, 2015 and as a consequence thereof, the Company is required to report the same to the Board for Industrial and Financial Reconstruction (BIFR) as stated above.

As stipulated by the provisions of Section 23(1)(b) of SICA, the Board of Directors at its meeting held on September 24, 2015, has approved the Report on such erosion and revival measures taken/to be taken, and the said Report is annexed to the Notice of EGM for consideration.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends passing of Resolution by the members.

By Order of the Board of Directors

For CIMMCO LIMITED

Sd/-

Dipankar Ganguly
Company Secretary

Date : September 24, 2015

Place : Kolkata

ANNEXURE TO THE NOTICE OF EGM DATED SEPTEMBER 24, 2015

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY UNDER SECTION 23(1)(b) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985

To

The Members of Cimmco Limited

As required under Section 23(1)(b) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), a Report of the Board of Directors on the erosion of more than 50% of peak net worth of the Company and the causes thereof and steps being contemplated/taken for bringing about improvement in the net worth, is hereby submitted to the Members of the Company.

On the basis of the audited accounts of the Company for the financial year ended March 31, 2015 the accumulated losses on the said date stood at Rs. 6496.49 lacs and the peak net worth in the immediately preceding 4 (four) financial years was Rs. 5235.17 lacs. Thus the peak net worth of the Company stood eroded by more than 50% in terms of the provisions of Section 23 of SICA. The Company is therefore, required to report the fact of such erosion to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) in compliance with the provisions of the said Section.

The major causes of erosion of net worth and the remedial measures taken/to be taken are explained below:

CAUSES OF EROSION OF MORE THAN 50% PEAK NET WORTH

The Company (then Cimmco Birla Limited) was referred to the Hon'ble BIFR in the year 2000 following complete erosion of its net worth and subsequently declared as a 'sick industrial company' within the meaning of SICA on August 21, 2002. A scheme was sanctioned by the Hon'ble BIFR for rehabilitation of the Company on March 11, 2010 (Sanctioned Scheme). Hon'ble BIFR by its order dated December 7, 2010 discharged the Company considering the facts that the Sanctioned Scheme had been substantially implemented and the net worth of the Company had turned positive. The Company's financial performance was satisfactory till the financial year ended March 31, 2012. Subsequently due to several unforeseen factors as explained below, the Company's performance deteriorated and the accumulated losses have since led to erosion of peak net worth by more than 50%:

- Non-release/substantial delay in placement of wagons procurement order by Indian Railways, the single largest customer, despite the order of Hon'ble BIFR sanctioning the Scheme;
- Delay/irregular wagons procurement tender compounded by substantially lower quantities by Indian Railways;
- Non-remunerative order for wagons procurement placed by the Indian Railways resulting in loss on execution of the contract;
- General economic trend witnessed by the Wagons industry; and
- Certain reliefs/concessions as per Sanctioned Scheme, from the Governmental Bodies and Authorities based on the Scheme yet to be granted.

STEPS FOR REVIVAL

The Promoters have infused funds from own source. The Company is implementing various measures for improvement of the performance which include securing more orders for wagons from private sector customers and diversification into manufacture of certain items for Ministry of Defence pursuant to issue of Industrial License by the Ministry of Commerce & Industry, Government of India and other alternative use of the available facilities at its Bharatpur Works.

Considering the above factors, management is reasonably confident that the Company's profitability and net worth would improve adequately.

By Order of the Board of Directors

For CIMMCO LIMITED

Anil Kumar Agarwal
Director

Date : September 24, 2015
Place : Kolkata