

18TH ANNUAL REPORT

**COMMITTEE ROOM NO. 237, 2ND FLOOR, RAILWAY BOARD, RAIL
BHAVAN, MINISTRY OF RAILWAYS, NEW DELHI-110001**

AGENDA FOR 18TH ANNUAL GENERAL MEETING – 14.09.2018

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NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of Pipavav Railway Corporation Limited will be held **on Friday, the 14th September, 2018 at 12.30 p.m. at Committee Room No. 237, 2nd Floor Railway Board, Rail Bhavan, Ministry of Railways, New Delhi** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2018 and Statement of Profit & Loss and Cash Flow Statement for the year ended 31st March, 2018 together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Keld Pedersen, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sh. S.C. Jain, who retires by rotation, and being eligible, offers himself for reappointment.
4. To consider fixation of remuneration for the year ending 31st March, 2019 payable to the Statutory Auditors to be appointed by Comptroller & Auditor General of India (C&AG) and to authorize Board of Directors to fix such remuneration for the financial year 2018-19. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors, for the year 2018-19 will be made by C&AG. Section 142 of the Companies Act, 2013 provides that general meeting of the Company is empowered to fix the remuneration in such manner as it may determine. The following resolution is placed before the shareholders for their approval:

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

“RESOLVED THAT appointment of Statutory Auditors made by Comptroller & Auditor General of India (C&AG) under Section 139 of the Companies Act, 2013 for the financial year 2018-19 be and is hereby noted and the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to them as per Section 142 of the Companies Act, 2013.”

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 the nomination of Sh. Santosh Breed, (DIN: 08011070) made by Gujarat Pipavav Port Limited vide its letter dated 2nd January, 2018 and who was appointed as a Nominee Director of the Company pursuant to the provisions of Section 161 (3) of the Companies Act, 2013 read with clause 6.1.3 and 6.1.4 of the

Shareholders Agreement and Articles of Association of the Company be and is hereby noted by the Shareholders of the Company.”

- 6 To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the nomination of Sh. S.C. Mittal, (DIN:02607734) made by IL&FS Transportation Networks Limited vide its letter No. dated 12th January, 2018 and who was appointed as a Nominee Director of the Company pursuant to the provisions of Section 161 (3) of the Companies Act, 2013 read with clause 6.1.3 and 6.1.4 of the Shareholders Agreement and Articles of Association of the Company be and is hereby noted by the Shareholders of the Company.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the nomination of Sh. Abhijit Narendra, ED/T/PPP, Railway Board (DIN: 07851224) made by Ministry of Railways vide its letter No. 2011/Infra/18/11 dated 24th January, 2018 and who was appointed as a Nominee Director of the Company pursuant to the provisions of Section 161 (3) of the Companies Act, 2013 read with clause 6.1.3 and 6.1.4 of the Shareholders Agreement and Articles of Association of the Company be and is hereby noted by the Shareholders of the Company.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the nomination of Sh. A.K. Srivastava, ED FX-II, Railway Board (DIN: 08187918) made by Ministry of Railways vide its letter No. 2011/Infra/18/13 dated 11th July, 2018 and who was appointed as a Nominee Director of the Company pursuant to the provisions of Section 161 (3) of the Companies Act, 2013 read with clause 6.1.3 and 6.1.4 of the Shareholders Agreement and Articles of Association of the Company be and is hereby noted by the Shareholders of the Company.”

9. To approve Profit Linked Bonus/ Incentive for PRCL personnel.

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

“**RESOLVED THAT** consent of Shareholders of the Company be and is hereby accorded to pay a Profit Linked Bonus/ Incentive for the FY 2017-18 to all the regular employees including Managing Director of the Company @ 40% of the annual basic pay and basic pay of the month of March, 2018 will be taken for calculation purpose. Pro- rata payment will be made in case of new employees joining the Company during the Financial Year and a minimum period of 6 months service are to be put in by the employee concerned. Contractual employees including consultants shall not be entitled to receive Profit Linked Bonus/ Incentive as they may receive ex-gratia bonus and will be paid one month service/ contract fee (pro-rata, if applicable) as applicable in the month of March.

RESOLVED FURTHER THAT Sh. S.K. Mohanty, Co-ordinating Director (DIN: 07531298) be and is hereby authorized to do all such necessary acts, deeds and things as may be deemed necessary to give effect to the aforesaid resolution and to sub-delegate all or any powers hereby conferred to other Officer(s) of the Company as he may deem fit.”

10. To approve procedure for appointment of new Managing Director

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

"RESOLVED THAT in supersession of the earlier resolution passed by the Shareholders of the Company in this regard in March, 2013, consent of shareholders of the Company be and is hereby accorded to approve the following process/guidelines for appointment of new Managing Director of the Company and the same would become part of HR Manual of the Company.

a) TENURE

The tenure of MD would be for a period of three years which can be extended by two years subject to a maximum age limit of 65 years.

b) AGE

The candidate should not be more than 60 years of age as on 30.09.2018. However, in future, the candidate should not be more than 60 years at the time of vacancy notice.

c) EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS

The Candidate should be graduate and have minimum experience of 25 years in Railways of which at least five years in SAG & above.

d) EMOLUMENTS (PAY SCALE)

Equivalent to Director of Schedule “A” Company with perquisites and benefits.

e) ADVERTISEMENT

- In terms of Shareholders Agreement and Articles of Association of the Company, candidate will be selected from open market.
- The qualification criteria, experience etc. of the new Managing Director would be advertised in leading newspapers and the vacancy circular would also be circulated through Ministry of Railways.
- In the advertisement, clear 30 (thirty) days time will be given for submission of applications by the candidates. Simultaneously, Ministry of Railways may

also be requested for circulating a Vacancy Circular in Indian Railways for railway candidates to apply.

f) SELECTION AND REMUNERATION COMMITTEE

1. A Committee will be constituted by the Board of Directors of PRCL, which will comprise of three Directors viz; two Directors representing Ministry of Railways and one Director representing Gujarat Pipavav Port Limited.
2. This Committee will also act as Remuneration Committee.
3. This Committee will ensure that steps and processes indicated above are followed.
4. The Committee will approve draft advertisement to be released for recruitment.
5. On receipt of the applications both directly through newspapers and through Railways, the Committee will scrutinize and shortlist probable candidates. It may also conduct interview/hold discussions with the Candidate(s).
6. The Selection process should be completed within 30 days from last date of receipt of applications and its recommendation needs to be put up to the Board of Directors for consideration and approval in the next ensuing Board Meeting.
7. After taking approval of the Board of Directors, approval of the Shareholders will be taken in the general meeting.
8. An appointment letter will be issued to the Selected Candidate, which will be signed by Chairman of the Company.
9. Formal handing over from present incumbent and taking over by the new incumbent will be ensured.
10. Company Secretary of the Company will assist the Committee and be a Secretary to the Committee in this regard.
11. Selection and Remuneration Committee will review the remuneration as and when required and Board of Directors are authorized by the shareholders to approve the recommendations of the Committee subject to the provisions of the Companies Act.

g) REVIEW OF PERFORMANCE

An annual appraisal of the performance of Managing Director will be done by the Board of Directors.

h) SELECTION PROCESS FOR EXTENSION AND NEW RECRUITMENT

1. Six months before completion of 3rd year, an agenda item will be put up to the Board of PRCL for a decision on extending the tenure for two years and approval will be taken from shareholders in case of extension.
2. The decision on extension shall be communicated to the incumbent.
3. Six months before completion of 5th year of tenure of the MD, an agenda item will be put up for consideration of PRCL Board regarding constitution of Selection & Remuneration Committee due to change in Directorship, if any,

and process for appointment of new MD. After decision of the PRCL Board of Directors, Company will initiate steps with regard to advertisement, etc. as indicated above.

4. Vacancy Notice should be ideally issued at least three months prior to occurrence of vacancy and in any case not later than one month after the occurrence of vacancy.

FURTHER RESOLVED THAT the matter relating to extension and appointment of Managing Director will be put up in the Shareholders' Meeting for its approval. Also, any change in the selection criteria, etc., will require prior approval of the Shareholders.

FURTHER RESOLVED THAT Managing Director and Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be necessary, usual or expedient to give effect to the aforesaid resolution.”

11. To approve declaration of interim dividend to all the shareholders for the FY 2018-19

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 Section 123 and 124 of the Companies Act, 2013 (“the Act”) and all other applicable provisions, if any, of the Act read with the Articles of Association of the Company, consent of Shareholders of the Company be and is hereby accorded to pay an interim dividend for the FY 2018-19 @ 5% (Rs. 0.5 per share) Rs. 9,80,00,010 out of the profits of the Company to those shareholders whose names appear on the register of members of the Company on 12th September, 2018.

RESOLVED FURTHER THAT record date to ascertain the eligibility of members to receive interim dividend be fixed as 12th September, 2018.

RESOLVED FURTHER THAT a sum of Rs. 9,80,00,010/- being the total interim dividend amount, be deposited in the State Bank of India at its Branch at Rail Bhawan (the bank) within five days of the approval of shareholders.

RESOLVED FURTHER THAT Sh. S.K. Mohanty, Co-ordinating Director jointly with Sh. Ashok Kumar, Senior Vice President or Ms. Leena Narwal, Company Secretary or Sh. Vinod Kumar, Chief Financial Officer of the Company be and are hereby authorized to sign the cheque/ dividend warrants to be issued to the members and the bank be and is hereby authorised to honour the cheques/ interim dividend warrants jointly signed by the said authoised signatories, as and when presented for encashment.