

**FORBES & COMPANY LIMITED | ANNUAL REPORT 2012-2013**



## ACTIVITIES AT CONTAINER FREIGHT STATION



Handling of Open Top Container for Over Dimensional Cargo at CFS



India's famous carpets being consolidated at CFS for exports



Fully occupied export warehouse at CFS



Export of Tractors from CFS

**DIRECTORS:**

SHAPOOR P. MISTRY

*Chairman*

ASHOK BARAT

*Managing Director*

D. B. ENGINEER

R. N. JHA

S. L. GOKLANEY

T. R. DOONGAJI

KAIWAN D. KALYANIWALLA

D. SIVANANDHAN

JIMMY J. PARAKH

JAI L. MAVANI

**SECRETARY:**

A. T. SHAH

*Company Secretary***MANAGEMENT:**

ASHOK BARAT

*Managing Director*

SHRIKRISHNA BHAVE

*Director (Human Resources)*

DILIP SANGLE

*Director (Engineering)*

A. NAGENDRA

*Chief Operating Officer – Shipping & Logistics***AUDITORS:**

MESSRS. DELOITTE HASKINS AND SELLS

**SOLICITORS AND  
ADVOCATES:**

MESSRS. CRAWFORD BAYLEY &amp; CO.

MESSRS. DESAI &amp; DIWANJI

**BANKERS:**

PUNJAB NATIONAL BANK

STANDARD CHARTERED BANK

IDBI BANK LIMITED

HDFC BANK LIMITED

**REGISTRAR AND SHARE  
TRANSFER AGENTS:**TSR DARASHAW PRIVATE LIMITED  
UNIT: FORBES & COMPANY LIMITED,  
6-10, HAJI MOOSA PATRAWALA INDUSTRIAL ESTATE,  
20, DR. E. MOSES ROAD, MAHALAXMI,  
MUMBAI 400 011

**FACTORIES:**

<b>AURANGABAD</b>	A-7, M.I.D.C. AREA CHIKALTHANA AURANGABAD 431 210
	PLOT B-13, WALUJ INDUSTRIAL AREA AURANGABAD 431 133
<b>MUMBAI</b>	CHANDIVALI ESTATE, SAKI POWAI ROAD, MUMBAI 400 072
<b>THANE</b>	PLOT No. C - 17, ROAD No.16, WAGLE INDUSTRIAL ESTATE, THANE 400 604

**CONTAINER FREIGHT  
STATIONS:**

<b>NHAVA SHEVA</b>	VESHVI, POST – DIGHODE TALUKA – URAN, DIST. RAIGAD 410 206
<b>MUNDRA</b>	BHARAT CFS ZONE 1, OLD PORT ROAD MP AND SEZ, MUNDRA 370 421
<b>REGISTERED OFFICE:</b>	FORBES' BUILDING, CHARANJIT RAI MARG, FORT, MUMBAI 400 001

## NINETY-FOURTH ANNUAL REPORT 2012-2013

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**Annual General Meeting will be held on Friday, August 2, 2013 at 4.00 p.m.  
at Indian Merchants' Chamber, Walchand Hirachand Hall, IMC Building,  
4<sup>th</sup> Floor, Churchgate, Mumbai 400 020.**

## NOTICE

NOTICE is hereby given that the NINETY-FOURTH ANNUAL GENERAL MEETING of the shareholders of FORBES & COMPANY LIMITED will be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> floor, Churchgate, Mumbai 400020 on Friday, August 2, 2013 at 4.00 p.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. Mr. D. B. Engineer who retires by rotation is not seeking re-appointment and the vacancy would be filled by the Board of Directors.
4. Mr. R.N. Jha who retires by rotation is not seeking re-appointment and the vacancy would be filled by the Board of Directors.
5. To appoint a Director in place of Mr. T.R. Doongaji who retires by rotation and is eligible for re-appointment.
6. To appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants, as Auditors and to authorise the Board of Directors to fix their remuneration.

### Special Business:

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

“RESOLVED that, pursuant to Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 (as amended or re-enacted from time to time), read with Schedule XIII thereto, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Ashok Barat as the Managing Director of the Company for a period of 5 years from April 1, 2013 to March 31, 2018 (both days inclusive) on the remuneration and upon the terms and conditions as set out in the draft of the Agreement to be entered into between the Company and Mr. Ashok Barat placed before this meeting and initialed by the Chairman for the purpose of identification. Notwithstanding the period of appointment or any clause of the Agreement between the Company and Mr. Ashok Barat, his appointment as the Managing Director shall be subject to the retirement policy of the Company for the time being.

RESOLVED FURTHER that the Board of Directors of the Company or a duly constituted Committee thereof be and is hereby authorised to vary, increase, expand, enhance, enlarge, widen or alter the scope of the remuneration and perquisites, including the monetary value thereof, from time to time as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole-time Directors in accordance with Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereto or any amendment made hereafter in this regard and that, the Agreement as per the draft placed before the meeting between the Company and Mr. Ashok Barat be entered into to give effect to the same in such manner as may be agreed to between the Board and Mr. Ashok Barat.”

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

“RESOLVED that pursuant to Schedule XIII of the Companies Act, 1956, where in any financial year during a period of 3 years from April 1, 2013 to March 31, 2016, or during the tenure of Mr. Ashok Barat as the Managing Director, whichever period is less, the Company has no profits or its profits are inadequate, it shall pay remuneration to Mr. Ashok Barat by way of salary, dearness allowance, perquisites and other allowances as per the Agreement proposed to be entered into between the Company and Mr. Ashok Barat, in terms of the draft of the Agreement placed at this Meeting and referred to in Item 7 of this Notice.”

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

“RESOLVED that pursuant to the provisions of Section 309(4) (as amended or re-enacted from time to time) and other applicable provisions, if any, of the Companies Act, 1956 and, subject to other approvals as may be required, consent be and is hereby accorded to the payment and distribution of such sum by way of commission, not exceeding in aggregate, 1% per annum of the net profits of the Company, computed in the manner referred to in Section 198 and other applicable provisions of the Companies Act, 1956, for each of the five financial years of the Company, commencing from April 1, 2013, to such Directors of the Company (other than the Managing Director and the Whole-time Directors), the quantum, proportion and manner of such payment and distribution to be made as the Board may from time to time decide”.

Pursuant to the provisions of the Sections 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 the resolutions at item nos. 10 and 11 would require the consent of the shareholders by Postal Ballot and will not be transacted at the Annual General Meeting.

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

“RESOLVED that pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (as amended or re-enacted from time to time), consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any duly constituted Committee thereof) to create charge in order to secure the Secured Redeemable Non-convertible Debentures aggregating to ₹ 100 crores issued by the Company, as per the details given below:

	Details of Debentures and the Trustees for the debenture-holders		Security
1.	a) 11% Non convertible Debentures of aggregate amount ₹ 60 crores and b) 5% Non convertible Debentures of aggregate amount ₹ 40 crores with IDBI Trusteeship Services Ltd., acting as Trustees for the debenture-holders	:	Registered mortgage/English mortgage without possession, over the property situated at Plot No. B-13 admeasuring 65,893 sq. mtrs., in MIDC Industrial Area, Waluj, Aurangabad.

on such terms and conditions as the Board may think fit, in order to secure the due repayment of the debentures issued by the Company together with the payment of interest thereon at the respective agreed rates, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the debenture-holders, in terms of the letter of offer issued by the Company, in respect of the above mentioned debentures.

RESOLVED FURTHER that the Board of Directors of the Company, be and is hereby authorized to finalise with the Trustees all necessary documents for creating the mortgage and / or charge and / or hypothecation as aforesaid and to do all other acts, deeds, matters and things and to execute all such documents and writings as it may deem necessary, usual, requisite or proper for the purpose of giving effect to the aforesaid Resolution.”

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

“RESOLVED that, in accordance with the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby ratifies execution by the Company of –

- the non-disposal agreement dated December 17, 2012 with Bumi Armada Berhad, Forbes Bumi Armada Offshore Limited (“FBAOL”), Bank of India (in its capacity as the agent of the lenders) and SBICAP Trustee Company Limited (in its capacity as a security trustee) in relation to the shares of FBAOL held by the Company or which may be held by the Company in future; and
- the power of attorney in favour of SBICAP Trustee Company Limited (in its capacity as a security trustee) and authorised on occurrence of an event of default (as defined under the facility agreement dated December 17, 2012 executed between Armada D1 Pte. Limited, the lenders and Bank of India (in its capacity as the agent of the lenders)) creation of pledge in favour of SBICAP Trustee Company Limited (in its capacity as a security trustee of the Lenders) in respect of shares covered by the non-disposal agreement.

The current value as on June 20, 2013 of the shares held by the Company and offered as security and for which the non-disposal agreement and the power of attorney are executed by the Company, is ₹ 6.31 per share of face value ₹ 10 as certified by the auditors U. V. Shah & Co., Chartered Accountants and the limits specified under Section 372A of the Companies Act, 1956 are not exceeded.

RESOLVED FURTHER that this resolution is passed in compliance with one of the conditions of the Facility Agreement requiring the shareholders of the Company to pass a resolution under Section 372A of the Companies Act, 1956 on or before September 30, 2013 in relation to the obligations of the Company under the non-disposal agreement and the power of attorney.”

For and on behalf of the  
Board of Directors

**SHAPOOR P. MISTRY**  
Chairman

Mumbai, July 1, 2013.

Registered Office:  
Forbes Building,  
Charanjit Rai Marg,  
Mumbai 400 001



## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of business under item nos. 7, 8, 9, 10 and 11 is annexed hereto and forms part of this Notice.
3. The information in respect of the Directors to be appointed and re-appointed, as required pursuant to the provision of Clause 49 IV (G) (i) of the Listing Agreement, is given in Annexure "AC" to the Report on Corporate Governance.
4. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 26, 2013 to Friday, August 2, 2013 (both days inclusive).
5. The dividend, if approved by the Members at the Annual General Meeting, will be paid within 30 days i.e. on or before August 31, 2013 to the Members whose names appear on the Register of Members as on August 2, 2013 and to the Beneficial Owners of the shares as on July 25, 2013, as per details furnished by the Depositories for this purpose.
6. Members are requested to immediately intimate changes, if any, in their registered addresses along with the pin code number to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialized mode are requested to intimate the same to their respective Depository Participants.
7. **The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records.**
8. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed / unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly, unclaimed dividend for the year ended March 31, 2005 has been transferred to Investor Education and Protection Fund.

Members who have not encashed their dividend warrants for the year ended March 31, 2006 or thereafter are requested to write to the Company/Registrars & Share Transfer Agents for issue of demand drafts for the same.

9. In compliance with Clause 5A of the Listing Agreement with the Bombay Stock Exchange Limited, the Company has sent reminder letters on August 3, 2011, December 23, 2011 and March 29, 2012 in respect of the shares returned and lying unclaimed in the custody of the Company. The same shall be transferred to Unclaimed Suspense Account.
10. **The Ministry of Corporate Affairs ("MCA"), Government of India has allowed paperless compliances by Companies. MCA has issued a Circular No.17/2011 dated April 21, 2011 stating that the service of notice / document by a company to its Members may now be made through electronic mode, after giving an advance opportunity to the Member to register his e-mail address and changes therein from time to time with the Company or with the concerned depository in case he wishes to receive documents such as the Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, Balance Sheet, Profit & Loss Account, Explanatory Statement, etc., in electronic mode. We invite you to co-operate in helping the Company implement the e-governance initiatives of the Government by registering your e-mail address.**
11. Disclosure in terms of Clause 49 (IV)(E)(V) of the Listing Agreement with the Bombay Stock Exchange Ltd.

	Name of the Director seeking appointment / re-appointment	Shares held as on 31.3.2013
1.	Mr. Ashok Barat	Nil
2.	Mr. T. R. Doongaji	Nil

12. **Please note that the transactions at Item nos. 10 and 11 of the AGM Notice dated July 1, 2013 would require the consent of the shareholders through Postal Ballot. Postal Ballot Form is enclosed herewith. The Company is also offering E-voting facility as an alternate, for the shareholders to enable them to cast their votes electronically. E-voting is optional. The procedure and instructions are given on the reverse of the Postal Ballot Form. The 94<sup>th</sup> AGM Notice dated July 1, 2013 shall also be deemed to be Notice under sections 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.**
13. Members are requested to bring their copy of the Annual Report to the meeting, as the same will not be distributed at the meeting.



14. Please address all communications, including lodging of Transfer Deeds, to-

**REGISTRARS AND SHARE TRANSFER AGENTS**

TSR Darashaw Private Ltd.,  
UNIT: FORBES & COMPANY LIMITED  
6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai 400 011  
Tel. : 91 22 66568484  
Fax. :91 22 66568494  
Business Hours : 10.00 a.m. to 3.30 p.m. (Monday to Friday)  
Email : [csgr-unit@tsrdarashaw.com](mailto:csgr-unit@tsrdarashaw.com)  
Website : [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

**Branch Offices**

- |  |   |
|--|---|
| <p>1. TSR Darashaw Private Ltd.<br/>503, Barton Centre, 5th floor,<br/>84, Mahatma Gandhi Road,<br/>Bangalore 560 001<br/>Tel.:080 25320321<br/>Fax:080 25580019<br/>email: <a href="mailto:tsrdlbg@tsrdarashaw.com">tsrdlbg@tsrdarashaw.com</a></p> | <p>3. TSR Darashaw Private Ltd.<br/>Bungalow No.1, "E" Road,<br/>Northern Town, Bistupur,<br/>Jamshedpur 831 001<br/>Tel.:0657 2426616<br/>Fax:0657 2426937<br/>email: <a href="mailto:tsrdljsr@tsrdarashaw.com">tsrdljsr@tsrdarashaw.com</a></p> |
| <p>2. TSR Darashaw Private Ltd.<br/>Tata Centre, 1st floor,<br/>43, Jawaharlal Nehru Road,<br/>Kolkata 700 071<br/>Tel.:033 22883087<br/>Fax:033 22883062<br/>email: <a href="mailto:tsrdlcal@tsrdarashaw.com">tsrdlcal@tsrdarashaw.com</a></p>      | <p>4. TSR Darashaw Private Ltd.<br/>Plot No.2/42, Sant Vihar,<br/>Ansari Road, Daryaganj,<br/>New Delhi 110 002<br/>Tel.:011 23271805<br/>Fax:011 23271802<br/>email: <a href="mailto:tsrdldel@tsrdarashaw.com">tsrdldel@tsrdarashaw.com</a></p>  |

**Agent**

1. **M/s. Shah Consultancy Services Pvt. Ltd.**  
3, Sumatinath Complex,  
Pritam Nagar, Akhada Road, Ellisbridge,  
Ahmedabad 380 006  
Telefax: 079 26576038  
Email: [shahconsultancy8154@gmail.com](mailto:shahconsultancy8154@gmail.com)

**Investors, if they so prefer, can send transfer request, correspondence and queries to the Company at the following address –**

Company Secretary  
Forbes & Company Ltd.  
Forbes' Building, Charanjit Rai Marg,  
Fort, Mumbai 400 001  
Telephone: 022 40749117  
Email: [ashok.shah@forbes.co.in](mailto:ashok.shah@forbes.co.in)

**Kindly quote your Ledger Folio No. in all correspondences with the Company or Registrars and Share Transfer Agents.**

## ANNEXURE TO NOTICE

### Explanatory Statement under Section 173 of the Companies Act, 1956

#### Item : 7

The Board of Directors of the Company on March 27, 2013, have, subject to the approval of the shareholders of the Company, re-appointed Mr. Ashok Barat as the Managing Director for a period of 5 years from April 1, 2013 to March 31, 2018 at the remuneration and upon the terms and conditions set out in the draft of the Agreement placed before the meeting and initialed by the Chairman for the purpose of identification. Emoluments, benefits, perquisites and other conditions of the appointment of Mr. Ashok Barat, have been set out in Schedule 'A' hereto.

As the re-appointment of Mr. Ashok Barat as the Managing Director and the remuneration proposed to be paid to him, is in conformity with the provisions and requirements of Schedule XIII to the Companies Act, 1956 ("the Act") (as amended or re-enacted from time to time), approval of the Central Government is not required. The re-appointment and the remuneration payable to Mr. Ashok Barat as set out in the aforesaid draft of the Agreement are, however, subject to the approval of the shareholders in general meeting, pursuant to Section 269 read with Schedule XIII to the Companies Act, 1956. Hence the Resolution at Item 7 of the Notice.

The other material terms of the draft Agreement with Mr. Ashok Barat referred to in the Resolution at Item 7 of the Notice are as follows:

1. The re-appointment of Mr. Ashok Barat shall be for a period of 5 years from April 1, 2013 to March 31, 2018 (both days inclusive) subject to the same being previously determined as provided in the Agreement. Further, notwithstanding the period of the re-appointment or any clause of the Agreement, the appointment of Mr. Ashok Barat, as Managing Director, shall be subject to the retirement policy of the Company for the time being.
2. During his tenure as the Managing Director the day-to-day management of the Company shall be in the hands of Mr. Ashok Barat, subject to the supervision and control of the Board of Directors of the Company.
3. Mr. Ashok Barat shall devote his whole time, attention and ability during business hours to the business of the Company and undertake travel in India and abroad for the same.
4. Pursuant to Article 141 of the Articles of Association, Mr. Ashok Barat shall not be subject to retirement by rotation in accordance with Section 256 of the Act and Article 127 of the Articles of Association of the Company.

Upon Mr. Ashok Barat ceasing to be the Managing Director under this appointment he shall cease to be a member of the Board.

A copy of the draft of the Agreement between the Company and Mr. Ashok Barat, referred to above will be open for inspection by the shareholders at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day (Monday to Friday).

Mr. Ashok Barat is interested in the Resolution at Item 7 of the Notice since it relates to his re-appointment as the Managing Director of the Company and the remuneration proposed to be paid to him as such.

This explanatory statement read with Schedule 'A' hereto is and should be treated as an abstract under Section 302 of the Companies Act, 1956, of the Agreement to be entered into between the Company and Mr. Ashok Barat.

#### Item 8:

Pursuant to Schedule XIII of the Act where in any financial year during the currency of tenure of Mr. Ashok Barat, the Company has no profits or its profits are inadequate, it may, subject to approval of the Shareholders of the Company by a special resolution, pay remuneration to Mr. Ashok Barat by way of salary, dearness allowance, perquisites and any other allowances, exceeding the ceiling limit specified in Schedule XIII of the Act. However, in view of the General Circular No. 46/2011 dated July 14, 2011 issued by the Ministry of Corporate Affairs, the Company, being a listed company, is not required to obtain approval of the Central Government for payment of remuneration to Mr. Ashok Barat exceeding the ceiling limit specified in schedule XIII as Mr. Ashok Barat has no direct or indirect interest in the capital of the Company or its holding company or through any other statutory structure at any time during last two years before or on the date of appointment and he is having a graduate level qualification with expert and specialized knowledge in the field of his profession. Shareholders can approve payment of such remuneration for a period not exceeding three years.

Accordingly, the resolution at Item 8 is proposed as a special resolution to enable the Company to pay remuneration to Mr. Ashok Barat for the period April 1, 2013 to March 31, 2016 as per the terms and conditions set out in the explanatory statement annexed to the Notice.

The payment of the aforesaid remuneration is approved by a resolution dated May 28, 2013 passed by the Remuneration Committee. The Company has not made any default in payment of any of its debts (including public deposits) or debentures or any interest payable thereon for a continuous period of thirty days in the preceeding financial year before the date of appointment of Mr. Ashok Barat.

A statement containing information required to be given to the shareholders pursuant to proviso (iv) of Part II, Section II I (B) to Schedule XIII to the Act is attached and forms part of this Notice.

Mr. Ashok Barat is interested in the Special Resolution at Item 8 of the Notice since it relates to his remuneration.