



## THE GREAT EASTERN SHIPPING COMPANY LIMITED

Registered Office : Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400018

Tel No.: 022-66613000 / 24922100 | Fax No :022-24925900

Email: shares@greatship.com | Website : www.greatship.com

CIN : L35110MH1948PLC006472

### NOTICE

NOTICE is hereby given that the Sixty Seventh Annual General Meeting of THE GREAT EASTERN SHIPPING CO. LTD. will be held at Rama and Sundri Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020 on Wednesday, August 12, 2015 at 3.00 p.m. (I.S.T.) to transact the following business :

1. To receive, consider and adopt :
  - a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
  - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. K. M. Sheth (DIN: 00022079), who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) and the Rules framed thereunder, the appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants (Registration No. 104607W) as Auditors of the Company made at the Annual General Meeting of the Company held on September 25, 2014 be and is hereby ratified.”
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, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Mrs. Rita Bhagwati (DIN: 06990589), who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on November 14-16, 2014 and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from November 14, 2014.”
6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Mr. Farrokh Kavarana (DIN:00027689), who was appointed as an Additional Director at the meeting of the

Board of Directors of the Company held on November 14-16, 2014 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from November 14, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force), Dr. Shankar Acharya (DIN: 00033242), who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on February 05, 2015 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from February 05, 2015.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, read with and in accordance with the conditions specified in Schedule V to the said Act (including any modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment of Mr. Bharat K. Sheth (DIN: 00022102) as a Whole time Director of the Company designated as ‘Deputy Chairman & Managing Director’ for a period of 5 years with effect from April 01, 2015 on the terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the said terms in such manner as may be agreed between Mr. Bharat K. Sheth and the Board.”

9. 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 provision of Section 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force), Mr. G. Shivakumar (DIN: 03632124) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on November 14-16, 2014 and who holds office as such upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Mr. G. Shivakumar as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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 the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, read with and in accordance with the conditions specified in Schedule V to the said Act (including any modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded to the appointment of Mr. G. Shivakumar

(DIN: 03632124) as a Whole-time Director of the Company designated as 'Executive Director' for a period of 5 years with effect from November 14, 2014 on the terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the said terms in such manner as may be agreed between Mr. G. Shivakumar and the Board."

11. 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 197 and other applicable provisions of the Companies Act, 2013, the Company's Directors, who are neither in the whole time employment nor Managing Director(s), shall be paid remuneration, each year, by way of commission at a rate not exceeding one percent of the net profits of the Company for every financial year commencing from the financial year 2015-2016 and that such commission shall be paid to and distributed amongst the aforesaid Directors or such of them, in such amounts or in such proportions and in such manner as may be decided by the Board of Directors of the Company from time to time."

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 Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to offer or invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, aggregating up to ₹ 500 crores (Rupees Five Hundred Crores only), on private placement, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Mumbai, May 29, 2015

By Order of the Board

*Registered Office :*  
Ocean House, 134/A,  
Dr. Annie Besant Road, Worli  
Mumbai 400 018

**Jayesh M. Trivedi**  
Company Secretary

Tel : 022-66613000/24922100  
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E-mail : shares@greatship.com  
Web : www.greatship.com

CIN No. : L35110MH1948PLC006472

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the Annual General Meeting.
3. 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. Proxies submitted on behalf of limited companies, societies etc. must be supported by an appropriate resolution/ authority as applicable.
4. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the business as per Item Nos. 5 to 12 herein above, is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from August 06, 2015 to August 12, 2015 (both days inclusive).
6. The dividend declared at the Annual General Meeting will be made payable on or after August 13, 2015, as applicable, in respect of shares held in physical form to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company on or before the end of business hours on August 05, 2015 and in respect of shares held in the electronic form to those 'Deemed Members' whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as on that date.
7. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the 40th dividend for the year 1993-94 paid by the Company on October 5, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, C/o. Central Government Office Building, A Wing, 2nd Floor, Next to Reserve Bank of India, CBD Belapur 400 614.
8. Consequent to the amendment to Sub-section (5) of Section 205A vide Companies (Amendment) Act, 1999, the Company has transferred the unclaimed dividend for the year 2006-07 (53rd final dividend), 2007-08 (54th 1st interim dividend) and 2007-08 (54th 2nd interim dividend) to the Investor Education and Protection Fund.  
  
All unclaimed dividend for the year 2007-08 (54th 3rd interim dividend) will be due for transfer to the Investor Education and Protection Fund on June 01, 2015. Shareholders who have not encashed the Dividend Warrants are requested to claim the amount from the Company's Share Department at the Registered Office of the Company.
9. The information as required under clause 49 (VIII)(E) of the Listing Agreement in respect of Directors being appointed / re-appointed is annexed hereto.
10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Annual General Meeting.

11. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchanges all the business as per Item Nos. 1 to 12 hereinabove, is required to be transacted by electronic means.
12. The Board of Directors of the Company has appointed Ms. Dipti Mehta, Practising Company Secretary, as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
13. Process and manner for Members opting for remote e-voting is as under:
  - (A) In case of Members receiving e-mail from NSDL :
    - (i) Open the attached PDF file "GESCO.e-voting.pdf" with your DPID/Client ID (for shares held in demat mode) or Folio No. (for shares held in physical mode) as default password. The said file contains your "User ID" and "Password" for remote e-voting. This PDF file will not be sent if you are already registered with NSDL for e-voting, hence you are requested to use the existing password for casting the vote. If you have forgot your password, please reset your password by using "Forget User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
    - (ii) Open internet browser by typing <https://www.evoting.nsdl.com>.
    - (iii) Click on "Shareholders Login".
    - (iv) Put User ID and Password as initial password as mentioned in step (i) above and login.
    - (v) Password Change Menu appears. Change the password with the new password of your choice with minimum 8 digits/characters or combination thereof.
    - (vi) Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.
    - (vii) Home page of "remote e-voting" opens. Click on "remote e-voting-Active Voting Cycles".
    - (viii) Select "EVEN" (E-voting Event Number) of The Great Eastern Shipping Company Limited for casting your votes. For an EVEN, you can login any number of times on remote e-voting platform of NSDL till you have voted on the resolution during the remote e-voting period.
    - (ix) Now you are ready for "remote e-voting" as "Cast Vote" page opens.
    - (x) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xi) Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [dipti@mehta-mehta.com](mailto:dipti@mehta-mehta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
    - (xii) **The remote e-voting period commences at 10.00 a.m. on Saturday, August 08, 2015 and ends at 5.00 p.m. on Tuesday, August 11, 2015.** The remote e-voting module will be disabled by NSDL for voting thereafter.
  - (B) In case of Members not receiving e-mail from NSDL:

Please refer to the User ID and Password printed at the bottom of the Attendance Slip.

Please follow all steps from Sl. No. A (ii) to A (xii) above, to cast your vote.

- (C) In case you are already registered with NSDL, you can use your existing User ID and Password for casting your vote.
- (D) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and Remote E-voting User Manual for Shareholders available at the "Downloads" section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
14. The persons who have acquired shares and become members of the Company after dispatch of the notice of Annual General Meeting, may obtain User ID and Password for remote e-voting by sending request to the Company / Sharepro Services (India) Pvt. Ltd. either by way of a letter or by sending e-mail to [shares@greatship.com](mailto:shares@greatship.com) / [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com).
15. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting.
16. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
17. A member's voting rights shall be in proportion to his/her share of the paid up equity share capital of the Company as on August 05, 2015 ('cut-off date').
- A person whose name is recorded in the Register of Members of the Company 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 in the Annual General Meeting.
18. The Scrutinizer will submit her report addressed to Mr. K. M. Sheth, Chairman after completion of the scrutiny and the results of the voting will be announced on or before August 14, 2015.
19. Members are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically with respective Depository Participant (if holding shares in electronic form) or the Company / Sharepro Services (India) Pvt. Ltd. (if holding shares in physical form).

The requests to the Company / Sharepro Services (India) Pvt. Ltd. can either be sent by way of a letter or by sending e-mail to [shares@greatship.com](mailto:shares@greatship.com) / [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com).

## EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NOS. 5 to 7:

The Board of Directors of the Company, at their meeting held on November 14-16, 2014 appointed Mrs. Rita Bhagwati and Mr. Farrokh Kavarana as Additional Directors and Independent Directors of the Company.

The Board of Directors of the Company, at their meeting held on February 05, 2015 appointed Dr. Shankar Acharya as an Additional Director and Independent Director of the Company.

By virtue of the provisions of Section 161 of the Companies Act, 2013 (the Act), read with Article 95 of the Articles of Association of the Company, they will hold office upto the date of the Annual General Meeting.

As per Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years and shall not be liable to retire by rotation. In view of the same, it is proposed to appoint Mrs. Rita Bhagwati, Mr. Farrokh Kavarana and Dr. Shankar Acharya as Independent Directors of the Company to hold office for a term of five years.

All the aforesaid Independent Directors are not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from them that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of aforesaid Independent Directors for the office of Independent Directors of the Company.

In the opinion of the Board, all the aforesaid Independent Directors are independent of the management and fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement.

Brief resume of all the aforesaid Independent Directors, nature of their expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are annexed to the Notice. The same may be treated as justification for their appointment as Independent Directors.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board of Directors commend the Resolutions set out at Item No. 5 to 7 of the accompanying Notice for the approval of the members.

Copy of the draft letter for appointment of aforesaid Independent Directors, setting out the terms and conditions, is available for inspection by members at the Registered Office of the Company.

Your Directors commend the Resolutions at Item Nos. 5 to 7 of the Notice for your approval.

All the aforesaid Independent Directors are interested, financially or otherwise, in the Resolutions as set out at Item No. 5 to 7 of the Notice with regard to their respective appointments. Their relatives may also be deemed to be interested in the Resolutions set out at Item Nos. 5 to 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, financially or otherwise, concerned or interested in the aforesaid resolutions.



**ITEM NO. 8:**

The Resolution at Item Nos. 8 of the Notice seek approval of the members in respect of the re-appointment of Mr. Bharat K. Sheth, Deputy Chairman & Managing Director, who was appointed at the Annual General Meeting of the Company held on July 29, 2010 on the terms as contained in the Resolution passed at the said Annual General Meeting.

The Nomination and Remuneration Committee of the Company noted that the existing term of appointment of Mr. Bharat K. Sheth, Deputy Chairman & Managing Director expires on March 31, 2015. The Nomination and Remuneration Committee has recommended re-appointment of Mr. Bharat K. Sheth as 'Deputy Chairman & Managing Director' for a period of 5 years with effect from April 01, 2015 on fresh terms, particulars of which are set out hereinafter. The Nomination and Remuneration Committee also recommended a revision in the remuneration payable to Mr. Bharat K. Sheth, with a view to align remuneration packages with the best corporate practices prevailing in the industry and particularly in the shipping industry globally.

In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on March 12, 2015, re-appointed Mr. Bharat K. Sheth as Deputy Chairman & Managing Director for a period of 5 years with effect from April 01, 2015 on fresh terms, particulars of which are as follows:

- (a) Salary: Consolidated Salary, including Company's contribution to Provident Fund, Superannuation Fund and all other allowances, as may be decided by the Board of Directors of the Company in the scale of ₹ 330 lakhs p.a. to ₹ 485 lakhs p.a.
- (b) Commission: Payment of Commission, calculated with reference to the net profit of the Company for each financial year and subject to the ceiling laid down in section 197 of the Companies Act, 2013, as may be fixed by the Board of Directors not exceeding three times the annual Consolidated Salary referred to at (a) above.
- (c) In addition, Mr. Bharat K. Sheth will be entitled to:
  - (i) Transportation/conveyance facilities as per the rules of the Company.
  - (ii) Telecommunication facilities at residence.
  - (iii) Leave encashment as per the rules of the Company.
  - (iv) Reimbursement of medical expenses incurred for himself and his family.
  - (v) Insurance cover as per the rules of the Company.
  - (vi) Housing Loan as per the rules of the Company.
  - (vii) Fees of Clubs subject to a maximum of two clubs.
  - (viii) Leave travel allowance as per the rules of the Company.
- (d) Expenses incurred by Mr. Bharat K. Sheth for Company's business and expenses incurred during business trips for travelling, boarding and lodging, including for his spouse shall be reimbursed and not be considered as perquisites.
- (e) Though not likely, in the event of absence or inadequacy of profit in any financial year, Mr. Bharat K. Sheth shall be paid aforesaid remuneration as minimum remuneration subject to the approval of the Central Government (if required).



- (f) In addition, Mr. Bharat K. Sheth shall also be entitled to bonafide payment (which shall include providing perquisites) by way of pension in respect of his past services to the Company in accordance with a scheme formulated by the Board of Directors from time to time, subject to the limits prescribed, if any, under the Companies Act, 2013.
- (g) In the event of loss of his office as a Wholetime Director, Mr. Bharat K. Sheth shall be paid compensation in the manner and to the extent provided under Sections 191 and 202 of the Companies Act, 2013.

Mr. Bharat K. Sheth has been Executive Director since 1989 and Managing Director of the Company since 1999. He has provided outstanding leadership as Deputy Chairman & Managing Director and has contributed significantly to the stability, progress and growth of the Company.

Your Directors commend the Resolution at Item No. 8 of the Notice for your approval.

Mr. Bharat K. Sheth may be deemed to be interested, financially or otherwise, in the aforesaid Resolution to the extent of his shareholding. Mr. K. M. Sheth and Mr. Ravi K. Sheth may also be deemed to be interested in the aforesaid resolution. Other relatives of Mr. Bharat K. Sheth may be deemed to be interested in the aforesaid resolution to the extent of their shareholding interest, if any, in the Company.

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

#### **ITEM NOS. 9 and 10:**

Mr. G. Shivakumar is a Bachelor of Commerce and a Post Graduate in Management from IIM Ahmedabad. He joined the Company as a management trainee immediately after completing his management in 1990, and had stints in key functions like Treasury, Corporate Finance, Human Resources, and Strategic Planning, besides being the Chief Financial Officer of the Company's wholly owned subsidiary, Greatship (India) Limited. He is currently designated as Group CFO.

Apart from the Company, Mr. G. Shivakumar is also on the Board of Directors of Great Eastern CSR Foundation, a wholly owned subsidiary of the Company. As on date, Mr. G. Shivakumar holds 57 equity shares in the Company.

The Board of Directors of the Company, at their meeting held on November 14-16, 2014 appointed Mr. G. Shivakumar as an Additional Director of the Company. By virtue of the provisions of Section 161 of the Companies Act, 2013 read with Article 95 of the Articles of Association of the Company, Mr. G. Shivakumar will hold office upto the date of the Annual General Meeting.

The Company has received a notice from a member under Section 160 of the Act, with requisite deposit, proposing the name of Mr. G. Shivakumar as a candidate for the office of Director of the Company.

The Board of Directors also appointed Mr. G. Shivakumar as an Executive Director of the Company for a period of 5 years with effect from November 14, 2015 on following terms:

- (a) Salary: Consolidated Salary, including Company's contribution to Provident Fund, Superannuation Fund and all other allowances, as may be decided by the Board of Directors of the Company in the scale of ₹ 120 lakhs p.a. to ₹ 195 lakhs p.a.

- (b) Commission: Payment of commission, calculated with reference to the net profit of the Company for each financial year, subject to the ceiling laid down in Section 197 of the Companies Act, 2013, as may be fixed by the Board of Directors not exceeding one time the annual Consolidated Salary referred to at (a) above.
- (c) In addition, Mr. G. Shivakumar will be entitled to following benefits as per the Rules of the Company:
  - (i) Transportation/conveyance facilities.
  - (ii) Telecommunication facilities at residence.
  - (iii) Leave encashment.
  - (iv) Reimbursement of medical expenses incurred for himself and his family.
  - (v) Insurance cover.
  - (vi) Housing Loan.
  - (vii) Membership fees of Clubs.
  - (viii) Gratuity.
  - (ix) Other benefits as may be applicable to his grade from time to time.
- (d) Expenses incurred by Mr. G. Shivakumar during business trips for travelling, boarding and lodging shall be reimbursed and shall not be considered as perquisites.
- (e) Though not likely, in the event of absence or inadequacy of profit in any financial year, Mr. G. Shivakumar, shall be paid aforesaid remuneration as a minimum remuneration, subject to the approval of the Central Government (if required).
- (f) Mr. G. Shivakumar shall be responsible for all such functions as may be delegated to him by the Managing Director and the Board of Directors from time to time.
- (g) The Company or Mr. G. Shivakumar shall be entitled to terminate this appointment by giving three months' notice in writing.

Your Directors commend the Resolutions at Item Nos. 9 and 10 of the Notice for your approval.

Mr. G. Shivakumar may be deemed to be interested, financially or otherwise, in the Resolutions as set out at Item Nos. 9 and 10 of the Notice with regard to his appointment. The relatives of Mr. G. Shivakumar may also be deemed to be interested in the Resolutions set out at Item Nos. 9 and 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolutions.

#### **ITEM NO. 11:**

At the Annual General Meeting of the Company held on July 29, 2010, members of the Company had approved the payment of remuneration to the Non-Wholetime Directors of the Company, i.e. the Directors other than the Managing Director(s) and Whole time Directors of the Company, by way of commission upto one percent of the net profits of the Company. This approval was granted for a period of 5 years from the financial year 2010-2011, while the Board was authorised to fix the actual amount and the manner of payment.