



MRF LIMITED, Regd. Office: No. 114, Greaves Road, Chennai 600 006, CIN: L25111TN1960PLC004306, Tel: 044-28292777, Fax: 91-44-28295087, E-mail: mrfshare@mrfmail.com, Website: www.mrf tyres.com

NOTICE

NOTICE is hereby given that the Fifty Fourth Annual General Meeting of the shareholders of MRF Limited will be held on Thursday, the 12th February, 2015, at 11.00 A.M. at TTK Auditorium, "The Music Academy", No.168, TTK Road, Chennai 600 014, to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a final dividend on equity shares.
3. To appoint a Director in place of Mr. K M Mammen (DIN: 00020202) who has consented to retire by rotation for compliance with the requirements of Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
4. To appoint Messrs. Sastri & Shah (Firm Regn. No. 003643S) and M. M. Nissim and Co., (Firm Regn. No. 107122W) the retiring auditors, to hold office as auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to Article 107 and any other applicable Article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. K M Mammen (DIN: 00020202), as Chairman and Managing Director of the Company for a period of five years commencing from 01.04.2015 on the remuneration, terms and

conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. K M Mammen, Chairman and Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 07.02.2013, which stood amended by a resolution passed through postal ballot on 30.09.2013, consent of the Company be and is hereby accorded to the revision in the remuneration of Mr. Arun Mammen, (DIN: 00018558), Managing Director of the Company, w.e.f. 01.04.2015 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice, for the remaining period of his tenure i.e. upto 31.03.2018.

RESOLVED FURTHER that except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director of the Company, as approved by the resolution passed at



the Annual General Meeting of the Company held on 07.02.2013 and amended by a resolution passed through postal ballot on 30.09.2013, shall remain unchanged.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Arun Mammen, Managing Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to Article 107 and any other applicable Article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Rahul Mammen Mappillai (DIN: 03325290), as Whole-time Director of the Company, for a period of five years commencing from 01.04.2015 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Rahul Mammen Mappillai, Whole-time Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered

appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED that in supersession of the special resolution passed by the members by way of postal ballot on 30.06.2014, the consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors to borrow (excluding temporary loans obtained from the Banks in the ordinary course of business) for the purpose of the business of the Company, such sum(s) of money (in foreign currency or Indian rupee) from time to time with or without security on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the money or monies to be borrowed by the Company together with the money already borrowed and remaining outstanding at any time may exceed the aggregate of the paid-up capital and free reserves of the Company, provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed ₹5,000 crore (Rupees Five thousand crore only).

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED that in supersession of the special resolution passed by the members by way of postal ballot on 30.06.2014, the consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company



(hereinafter referred to as the “Board” which expression shall also include a committee thereof) to create such mortgages/ charges/ hypothecation in addition to the mortgages/ charges/ hypothecation created/ to be created by the Company or executing a declaration of a trust or other appropriate document on such terms and conditions as the Board may think fit, on the whole or substantially the whole of the Company’s undertakings or any part thereof, including the present and future properties, whether movable or immovable and assets of all kinds of the Company, both present and future, to or in favour of financial institution(s), bank(s) and/or any other person or entity and/or the agents or trustees of the debenture holders to secure the borrowings availed/ to be availed by the Company and/or its subsidiary companies by way of loan (in foreign currency and/or Indian Rupee) and/or non-convertible debentures or other debt instruments issued/to be issued by the Company and/or its subsidiary companies from time to time for an amount not exceeding ₹5,000 crore (Rupees Five thousand crore only) together with interest, costs, charges, expenses, remuneration of trustees and all other monies payable.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to finalise and execute the documents between the Company on the one part and the financial institution(s), bank(s), and/or individuals/ institutions who may be appointed as the agents, trustees for the debenture holders, on the other part.”

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

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, Mr. C. Govindan Kutty, Cost Accountant, appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year commencing from 01.10.2014, be paid a remuneration of ₹5,50,000 (Rupees Five lakhs fifty thousand only) (excluding service tax, as applicable) in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to this resolution”.

By Order of the Board,

Chennai
26th November, 2014

RAVI MANNATH
Company Secretary

Notes

- a) The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item Nos. 5 to 10 above is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) A person can act as proxy on behalf of members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, 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 proxy for any other person or member.
- d) The transfer books of the Company will remain closed from 06.02.2015 to 12.02.2015 both days inclusive, for the purpose of payment of final dividend.
- e) If final dividend on the equity shares as recommended by the directors is declared at the meeting, the payment will be made on or after 20.02.2015 to the shareholders whose names appear on the Company’s register of members on 12.02.2015.
- f) In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished to us by National Securities Depository Ltd. [NSDL] and Central Depository Services [India] Ltd. [CDSL] for this purpose.



- g) Members are requested to notify immediately any change in their address /change in bank details to the Company's registered office, quoting their ledger folio number. In respect of shares held in electronic form, instructions regarding change in address/change in bank details may be furnished to their respective depository participants only.
- h) Members holding shares in electronic form may please note that their bank details as furnished by the respective depositories to the Company will be printed on the dividend warrants as per the applicable regulations of the depositories and the Company will not entertain any direct request from such member for change/deletion in such bank details.

Members may therefore give instructions regarding bank accounts to their respective depository participants only.

- i) The Companies Act, 2013 and the Listing Agreement with the Stock Exchanges permits Companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/depository participants. To support this green initiative, the shareholders holding shares both in physical/demat form are requested to register/update their e-Mail addresses with the Company/depository participants. Accordingly, the annual report for 2013-14, notice for annual general meeting etc, are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.
- j) As per the provisions of the Companies Act, facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the Company. As on this date, there are large numbers of shareholders who are yet to opt for the nomination facility. Shareholders, and in particular those holding shares in single name, are requested to avail of the above facility by furnishing to the Company, the particulars of their nomination. Members holding shares in electronic form may forward nomination form duly filled to their respective depository participants only.
- k) The Company is also extending the facility of ECS/NECS for the receipt of dividend. In case you wish to avail of this facility, please

send ECS/ NECS mandate form, (which could be obtained from the Company) duly filled in, to the registered office of the Company at the earliest. Members holding shares in electronic form may forward their details to their respective depository participants only.

- l) Under section 205A of the Companies Act, 1956, the amount of dividend 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 (IEPF) set up by the Government of India. Accordingly, unclaimed dividend amounts from second interim dividend 1994-95 upto second interim dividend 2006-07 have been transferred to the said fund. The shareholders are advised to forward all unencashed dividend warrants from final dividend 2006-07 to the registered office of the company for revalidation and encash the same before its due dates of transfer to the Central Government.

Details of dividends which remain unclaimed /unencashed and due for transfer to Investor Education and Protection Fund:

Year	Dividend	Date of declaration	Due date of transfer
2006-07	Final	20.03.2008	26.03.2015
2007-08	I Interim	24.07.2008	17.08.2015
	II Interim	21.10.2008	13.11.2015
	Final	19.03.2009	25.03.2016
2008-09	I Interim	27.07.2009	17.08.2016
	II Interim	27.10.2009	17.11.2016
	Final	11.03.2010	17.03.2017
2009-10	I Interim	28.07.2010	19.08.2017
	II Interim	21.10.2010	15.11.2017
	Final	10.02.2011	16.02.2018
	Special	10.02.2011	16.02.2018
2010-11	I Interim	28.07.2011	18.08.2018
	II Interim	20.10.2011	10.11.2018
	Final	09.02.2012	15.02.2019
2011-12	I Interim	25.07.2012	16.08.2019
	II Interim	25.10.2012	18.11.2019
	Final	07.02.2013	15.02.2020



Year	Dividend	Date of declaration	Due date of transfer
2012-13	I Interim	25.07.2013	19.08.2020
	II Interim	24.10.2013	14.11.2020
	Final	06.02.2014	13.02.2021
2013-14	I Interim	23.07.2014	17.08.2021
	II Interim	30.10.2014	23.11.2021

m) Additional information pursuant to clause 49 of the listing agreement with the stock exchanges in respect of Directors seeking appointment at the annual general meeting are furnished and forms part of the notice.

n) E-Voting:

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide E-voting facility through National Securities Depository Limited (NSDL) as an alternative, for all members of the Company to enable them to cast their votes electronically on all the resolutions set forth in the notice convening the 54th annual general meeting of the Company.

o) Instructions for e-voting:

i) In case of Members receiving e-mail from NSDL:

- Open e-mail and then open PDF file viz., "MRF Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains the User ID and password for e-Voting. Please note that the password is an initial password.
- Launch internet browser by typing the following URL in the address bar: www.evoting.nsdl.com.
- Click on "Shareholder" – "Login".
- Enter User ID and password as initial password noted in step (a) above. Click "Login".
- Password change menu appears. Change the password with new password of your choice with minimum 8 digits or

characters or a combination of both. Note the new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.

- Home page of 'e-Voting' opens. Click on "e-Voting" icon and select "Active E-voting Cycles".
- Select 'EVEN' of MRF Limited.
- Now you are ready for "e-Voting" as "Cast Vote" page opens.
- Cast your vote by selecting appropriate option and click on "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.
- Institutional shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are 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 at his e-mail id: jandsca@gmail.com with a copy marked to evoting@nsdl.co.in
- In case of Members receiving physical copies of the Notice of Annual General Meeting (for Members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy) :
 - Initial password is provided at the bottom of the Proxy-cum-Attendance slip.
 - Please follow all steps from Sl. No. i)(b) to (l) above, to cast your vote.
 - In case of any queries, you may refer to the "Frequently Asked Questions (FAQs) for Members" and "e-Voting user manual



for Members” available at the “downloads” section of www.evoting.nsdl.com or contact NSDL at the following telephone No. 022-24994600.

- (d) If you are already registered with NSDL for e-Voting, then you can use your existing User ID and password for casting your vote and there is no need to register once again.
 - (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii) **The e-voting period commences on 6th February, 2015, (9.00 a.m.) and ends on 8th February, 2015, (6.00 p.m.). During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of 9th January, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
- iv) The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the company as on the cut-off date of 9th January, 2015.
- v) Mr N C Sarabeswaran, Chartered Accountant, will be acting as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi) The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- vii) The results shall be declared on or after the annual general meeting of the Company. The results declared along with the scrutinizer's report shall be placed on the Company's website www.mrfityres.com and on the web site of NSDL within two (2) days of passing of the resolutions at the annual general meeting of the Company and communicated to the stock exchanges.

- viii) A member can opt for only one mode i.e. either through e-voting or voting at the annual general meeting. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at annual general meeting shall be treated as invalid.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

As per Article 107(b)(iv) of the Articles of Association of the Company, Mr. K M Mammen, Chairman and Managing Director, whilst holding office as Chairman and Managing Director shall not be subject to retirement by rotation. As per section 6 of the Companies Act, 2013 the provisions of the Act will have effect notwithstanding anything to the contrary contained in the Articles of Association of the Company. For the purpose of compliance with section 152 of the Companies Act, 2013 and for determining the director liable to retire by rotation, the Board at its meeting held on 26.11.2014, took note of the consent given by Mr. K M Mammen, being longest in office, to retire by rotation at the ensuing annual general meeting of the Company. Accordingly, the Board noted that Mr. K M Mammen, Chairman and Managing Director shall be the director liable to retire by rotation and being eligible, has offered himself for re-appointment.

Moreover, the shareholders will recall the appointment of Mr. K M Mammen as Chairman and Managing Director of the Company with effect from 01.04.2010 for a period of 5 years at their meeting held on 11.03.2010. As the present term of appointment of Mr. K M Mammen would be expiring on 31.03.2015, the Board of Directors have, subject to the approval of the shareholders, re-appointed Mr. K.M Mammen as Chairman and Managing Director of the Company with effect from 01.04.2015 for a period of 5 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein.

While re-appointing Mr. K M Mammen as Chairman and Managing Director of the Company, the Board of Directors considered his contribution to the overall progress of the Company. During the year, the Company has achieved remarkable growth with its turnover crossing ₹14,600 crore.



Moreover, the Company is aggressively concentrating on its expansion plans besides exploring opportunities both in India and abroad.

The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by re-appointing him as Chairman and Managing Director as mentioned in the resolution, subject to the approval of shareholders.

Taking into consideration the duties and responsibilities of the Chairman and Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 26.11.2014 approved the remuneration, terms and conditions of the re-appointment of Mr. K M Mammen, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- A) Salary: ₹ 23,25,000 per month with annual increment of ₹1,00,000
- B) Residential accommodation: Shall be provided free furnished residential accommodation
- C) Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
 - i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
 - ii) Club Fees: Actual fees of clubs will be reimbursed;
 - iii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
 - iv) Facility of car with driver;
 - v) Allowances and other perquisites: Special allowance and/or any other allowances or perquisites as determined by the nomination & remuneration committee.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

D) Other Benefits:

- i) Contribution to provident fund, pension/superannuation/gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
- ii) One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
- iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
- iv) Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
- v) Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- E) Commission: In addition to the above, an amount by way of commission calculated at a rate not exceeding 1% of the net profits of the Company, subject to a ceiling of 36 months' salary and subject also to the overall ceilings laid down in section 197 read with section 198 of the Companies Act, 2013.
- F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. K M Mammen, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment.



Mr. K M Mammen and his relatives (including Mr. Arun Mammen, Managing Director and Mr. Rahul Mammen Mappillai, Whole-time Director) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

Item No. 6

The shareholders will recall the appointment of Mr. Arun Mammen as Managing Director of the Company with effect from 01.04.2013 for a period of 5 years at the meeting of the shareholders held on 07.02.2013 and the subsequent amendment by resolution passed by the shareholders through postal ballot on 30.09.2013.

The Company, during the year, has achieved remarkable growth with its turnover crossing ₹14,600 crore. Moreover, the Company is aggressively concentrating on its expansion plans besides exploring opportunities both in India and abroad.

Since there has been a considerable increase in the duties and responsibilities performed by the Managing Director and after considering the prevailing managerial remuneration in industry, the Board of Directors at their meeting held on 26.11.2014, on the recommendations made by the nomination and remuneration committee, has approved the proposal to increase the salary of Mr. Arun Mammen, Managing Director from the present ₹12,70,000 per month with annual increment of ₹1,00,000 to ₹20,95,000 per month with annual increment of ₹1,00,000 w.e.f. 01.04.2015 for the remaining period of his tenure i.e., upto 31.03.2018. Except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director of the Company as approved earlier, shall remain unchanged.

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

Mr. Arun Mammen and his relatives (including Mr. K M Mammen, Chairman and Managing Director) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

Item No. 7

At the annual general meeting held on 10.02.2011, Mr. Rahul Mammen Mappillai was appointed as Whole-time Director of the Company (who shall not be subject to retirement by rotation whilst in office) for a period commencing from 25.11.2010 to 31.03.2015 on the terms and conditions as approved by the shareholders at the said annual general meeting.

In order to comply with the provisions of Section 152 of the Companies Act, 2013 and pursuant to the provisions of Article 107(d) of the Articles of Association of the Company, the Board at its meeting held on 26.11.2014 declared Mr. Rahul Mammen Mappillai as a director liable to retire by rotation.

Moreover, the present term of appointment of Mr. Rahul Mammen Mappillai as Whole-time Director would be expiring on 31.03.2015. The Board of Directors at their meeting held on 26.11.2014 have, subject to the approval of the Shareholders, re-appointed Mr. Rahul Mammen Mappillai as Whole-time Director of the Company with effect from 01.04.2015 for a period of 5 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein.

While re-appointing Mr. Rahul Mammen Mappillai as Whole-time Director of the Company, the Board of Directors considered his contribution in the overall progress of the Company. The Company during the year has achieved remarkable growth with its turnover crossing ₹14,600 crore. Moreover, the Company is aggressively concentrating on its expansion plans besides exploring opportunities both in India and abroad.

The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by re-appointing him as Whole-time Director as mentioned in the resolution, subject to the approval of shareholders.

Taking into consideration the duties and responsibilities of the Whole-time Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 26.11.2014 approved the remuneration, terms and conditions of the re-appointment of Mr. Rahul Mammen Mappillai, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:



- A) Salary: ₹17,16,000 per month with annual increment of ₹1,00,000
- B) Residential accommodation: Shall be provided free furnished residential accommodation
- C) Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
- i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
 - ii) Club Fees: Actual fees of clubs will be reimbursed;
 - iii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
 - iv) Facility of car with driver;
 - v) Allowances and other perquisites: Special allowance and/or any other allowances or perquisites as determined by the nomination & remuneration committee.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

- D) Other Benefits:
- i) Contribution to provident fund, pension/superannuation/gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
 - ii) One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
 - iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;

- iv) Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
- v) Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- E) Commission: In addition to the above, an amount by way of commission calculated at a rate not exceeding 1% of the net profits of the Company, subject to a ceiling of 36 months' salary and subject also to the overall ceilings laid down in Section 197 and read with Section 198 of the Companies Act, 2013.
- F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Rahul Mammen Mappillai, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for this re-appointment.

Mr. Rahul Mammen Mappillai and his relatives (including Mr. K M Mammen, Chairman and Managing Director) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

Item No. 8

The members of the Company through postal ballot accorded its approval on 30.06.2014 by way of a special resolution under Section 180(1)(c) of the Companies Act, 2013 to borrow any sums in excess of the limits specified under the section upto an amount not exceeding ₹ 4,000 crore (Rupees Four thousand crore only).

Since it is anticipated that the funds requirement of the Company may substantially grow in view of the expanded activities, it is considered necessary to increase the present borrowing powers to a sum not exceeding



₹5,000 crore (Rupees Five thousand crore only). The Board recommends the aforesaid resolution for approval of the members.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

Item No. 9

The members of the Company through postal ballot accorded its approval on 30.06.2014 by way of a special resolution under section 180(1)(a) of the Companies Act, 2013 to the Board for creation of mortgage /charges/ hypothecation or otherwise in terms of section 180(1)(a) of the Companies Act, 2013.

As mentioned in Item No. 8, it is proposed to increase the borrowing powers to ₹5,000 crore (Rupees Five thousand crore only). To secure such borrowings, the Company would be required to mortgage and/or charge its moveable and/or immoveable properties, the whole or substantially the whole of the undertaking(s) or any other assets of the Company (both present and future) in favour of the financial institutions/banks/ other lender(s)/ trustees. The approval of the shareholders in general meeting is required as per section 180(1)(a) of the Companies Act, 2013. In the circumstances, the board recommends this resolution for acceptance.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

Item No. 10

The Board at its meeting held on 26.11.2014, on the recommendations of the Audit Committee, has appointed Mr. C Govindan Kutty, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year commencing from 01.10.2014 on a remuneration of ₹5,50,000 (Rupees Five lakh fifty thousand only) (excluding service tax, as applicable) plus reimbursement of out of pocket expenses and conveyance.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the cost auditor is required to be ratified by the shareholders of the Company. The Board recommends the aforesaid resolution for approval of the members.

None of the Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid ordinary resolution.

By Order of the Board,

Chennai
26th November, 2014

RAVI MANNATH
Company Secretary