

**THE GREAT EASTERN
SHIPPING COMPANY LIMITED**
CIN: L35110MH1948PLC006472



OCEAN HOUSE, 134/A, Dr. Annie Besant Road, Worli, Mumbai - 400 018, INDIA. Tel.: +91(22) 6661 3000 / 2492 2100 Fax : +91(22) 2492 5900

Our Ref.: S/201/2018/JMT

December 20, 2018

BSE Limited

1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051

Dear Sir,

In terms of Regulation 30 of the SEBI Listing Regulations, we enclose a copy of the Postal ballot Notice and Postal ballot Form being sent to the members by the permitted modes seeking their approval for the re-appointment of Mr. Tapas Icot, Executive Director and President (Shipping) and payment of managerial remuneration to Mr. Bharat K. Sheth, Deputy Chairman and Managing Director, Mr. G Shivakumar, Executive Director and Chief Financial Officer and Mr. Tapas Icot, Executive Director and President (Shipping).

This is for your information and record.

You are requested to kindly take note of the above.

Thanking You,
Yours faithfully,

For **The Great Eastern Shipping Co. Ltd.**

Jayesh M. Trivedi
President (Sec. & Legal) & Company Secretary



THE GREAT EASTERN SHIPPING CO. LTD.

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

Tel.: 022 6661 3000 / 2492 2100 | Fax: 022 2492 5900

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

CIN: L35110MH1948PLC006472

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 and applicable rules thereunder]

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, to transact the following special business by passing resolutions by Postal Ballot:

- 1) To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013, Regulation 3(d)(v)(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any modification(s) or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed by the Members of the Company at their Annual General Meeting held on August 12, 2015, the approval of the Company be and is hereby accorded for payment of remuneration to Mr. Bharat K. Sheth (DIN: 00022102), the Deputy Chairman & Managing Director of the Company, with effect from April 01, 2018 for the remaining tenure of his appointment, on the restructured terms as set out in the Explanatory Statement annexed to this Notice, 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."

- 2) To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed by the Members of the Company at their Annual General Meeting held on August 12, 2015, the approval of the Company be and is hereby accorded for payment of remuneration to Mr. G. Shivakumar (DIN: 03632124), the Executive Director of the Company, with effect from April 01, 2018 for the remaining tenure of his appointment, on the restructured terms as set out in the Explanatory Statement annexed to this Notice, 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."

- 3) To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed by the Members of the Company at their Annual General Meeting held

THE GREAT EASTERN SHIPPING CO. LTD.

on September 25, 2014, the approval of the Company be and is hereby accorded for payment of remuneration to Mr. Tapas Icot (DIN: 00905882), the Executive Director of the Company, with effect from April 01, 2018 upto November 01, 2018 on the restructured terms as set out in the Explanatory Statement annexed to this Notice, 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. Tapas Icot and the Board."

- 4) To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 (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. Tapas Icot (DIN: 00905882) as a Wholtime Director of the Company designated as 'Executive Director' for a period of 3 years with effect from November 02, 2018 on the terms as set out in the Explanatory Statement annexed to this Notice, 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. Tapas Icot and the Board."

By Order of the Board
For The Great Eastern Shipping Co. Ltd.

Jayesh M. Trivedi
Company Secretary

Place: Mumbai

Date: November 2, 2018

Registered Office :

Ocean House, 134/A,
Dr. Annie Besant Road,
Worli, Mumbai 400 018

Tel: 022 66613000/2492 2100

Fax: 022 2492 5900

Email : shares@greatship.com

Web: www.greatship.com

CIN: L35110MH1948PLC006472

NOTES:

1. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ('the Act') setting out material facts relating to the proposed resolutions is annexed hereto.
2. This Notice along with the Postal Ballot Form is being sent by electronic mode to those Members, whose e-mail addresses are registered with the Company/ Depositories. For Members who have not registered their e-mail addresses, physical copies are being sent to them by the permitted mode(s).

Members may note that this Notice is also available on the Company's website- www.greatship.com and on the website of Karvy Fintech Private Limited (earlier Karvy Computershare Private Ltd.) ('Karvy') - www.evoting.karvy.com

3. The Board of Directors of the Company has appointed Ms. Dipti Mehta, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ('Rules'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide voting by electronic means ('e-voting') facility to the Members, to enable them to cast their votes electronically. The Company has engaged the services of Karvy to provide e-voting facility to its Members.
5. Members can opt for only one mode of voting i.e. either Postal Ballot Form or e-voting. In case any Member casts his votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot Form shall be considered invalid.
6. Voting rights will be reckoned on the paid-up value of the equity shares of the Company registered in the name of the Members on Friday, December 14, 2018 ('cut-off date'). Only those Members whose names are 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 will be entitled to cast their votes by Postal Ballot or e-voting. Person who is not a Member of the Company as on the cut-off date should treat this Notice for information purposes only.
7. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed overleaf on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed, in the enclosed postage prepaid self-addressed business reply envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than 5.00 p.m. (IST) on Wednesday, January 23, 2019. The postage will be borne by the Company. However, envelopes containing Postal Ballot Forms, if sent by courier or post or deposited personally at the address given on the self-addressed business reply envelope, at the expense of the Members will also be accepted.

If any Postal Ballot Form is received after 5.00 p.m. (IST) on Wednesday, January 23, 2019, it will be considered that no reply from the Member has been received.

8. The e-voting period commences from 9.00 a.m. (IST) Tuesday, December 25, 2018 to 5.00 p.m. (IST) Wednesday, January 23, 2019. During this period, Members may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Voting shall not be allowed beyond the said date and time. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.

9. The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from Karvy (for Members whose e-mail IDs are registered with the Company/Depository Participant(s)):
- (i) Launch the internet browser by typing the following URL: <https://evoting.karvy.com>.
 - (ii) Click on "Login"
 - (iii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (Electronic Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (iv) If you are logging in for the first time, please enter the user ID and password provided in the e-mail of Karvy as initial password. Password change menu will appear on your screen wherein you are required to mandatorily change your password. Change the password with new password of your choice with minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the "EVEN (E-Voting Event Number)" for The Great Eastern Shipping Company Limited.
 - (vii) On the voting page enter the number of shares (which represent
 - (viii)
 - (ix) s the number of votes) as on the cut-off date and cast your vote by selecting the option of your choice.
 - (x) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - (xi) Voting has to be done for each item of this Notice separately.
 - (xii) Cast your vote by selecting an appropriate option and click on "Submit".
 - (xiii) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (xiv) Corporate/ Institutional members (i.e. other than individuals, HUFs, NRIs etc.) are required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer through email to The Scrutinizer at e-mail ID: dipti@mehta-mehta.com with a copy marked to e-mail ID: evoting@karvy.com. They may also upload the same in the e voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name _ Event No."

B. A Member receiving physical copy of this Notice [for Members whose e-mail IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:

- (i) E-Voting Event Number, User ID and Initial password is provided in the Postal Ballot Form.
- (ii) Please follow all steps from Sl. No. (i) to Sl. No. (xii) of 'A' above, to cast vote.

C. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> or contact Mr. Anil Dalvi (Unit: The Great Eastern Shipping Company Limited) at Karvy Fintech Private Limited (earlier Karvy Computershare Private Limited), Karvy Selenium Tower, B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 or at greatship.ris@karvy.com or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1-800-3454-001 for any further clarifications.

10. Upon completion of the scrutiny of the Postal Ballot Forms and votes cast through e-voting in a fair and transparent manner, the Scrutinizer will submit her report to Mr. K. M. Sheth, Chairman of the Company or any other person authorized by him. The results of the Postal Ballot will be announced not later than 48 hours of conclusion of the voting through Postal Ballot, i.e. on or before 05.00 p.m. on Friday, January 25, 2019 at the Registered Office of the Company. The said results would be displayed at the Registered Office of the Company, intimated to the National Stock Exchange of India Limited and BSE Limited where the shares of the Company are listed. Additionally, the results will also be uploaded on the Company's website - www.greatship.com and on the website of Karvy - www.evoting.karvy.com
11. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.
12. The Resolutions, if passed by requisite majority, will be deemed to be passed on the last date specified for receipt of duly completed Postal Ballot Form or e-voting i.e. Wednesday, January 23, 2019.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

The Members of the Company, at their Annual General Meetings held on September 25, 2014 and August 12, 2015, had by way of special resolutions, respectively approved the appointment of Mr. Tapas Icot as 'Executive Director' of the Company for a period of 5 years with effect from August 12, 2014 and the re-appointment of Mr. Bharat K. Sheth as 'Deputy Chairman & Managing Director' of the Company for a period of 5 years with effect from April 1, 2015 and also the appointment of Mr. G. Shivakumar as 'Executive Director' of the Company for a period of 5 years with effect from November 14, 2014.

Summary of the terms of the remuneration of the Whole-time Directors as approved by the Members at the aforesaid Annual General Meetings is enclosed as Annexure I to this Explanatory Statement. The terms also specify that, in the event of absence or inadequacy of profit in any financial year, the Whole-time Directors shall be paid the said remuneration as minimum remuneration subject to the approval of the Central Government (if required).

Within the limits approved by the Members, the Whole-time Directors have been paid remuneration for last 3 financial years as follows:

(₹ in lakh)

Remuneration	Mr. Bharat K. Sheth			Mr. Tapas Icot			Mr. G. Shivakumar		
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2015-16	FY 2016-17	FY 2017-18	FY 2015-16	FY 2016-17	FY 2017-18
Consolidated Salary									
Entitlement as per Members' approval	485.00	485.00	485.00	210.00	210.00	210.00	195.00	195.00	195.00
Actual Payment made (A)	351.00	378.00	396.00	142.00	152.00	160.00	130.00	139.00	146.00
Commission									
Entitlement as per Members' approval	1053.00	1134.00	1188.00	142.00	152.00	160.00	130.00	139.00	146.00
Actual Payment made (B)	585.00	540.00	387.00	74.12	76.00	73.30	107.00	97.00	78.00
Benefits (C)	27.26	27.80	31.90	5.12	3.59	4.22	6.86	7.42	6.88
Total (A+B+C)	963.26	945.80	814.90	221.24	231.59	237.52	243.86	243.42	230.88

It may be observed that your Directors have always been prudent in fixing the annual remuneration payable to the Whole-time Directors well within the limits approved by the Members as shown in the above statement.

Members may note that the Company has reported loss of ₹ 419.09 crore for the half year ended 30th September, 2018. The main reasons for the loss are as follows:

Accounting standards: Since the Company's revenues and assets are priced in US dollars, the Company borrows in US dollars to fund ship acquisitions. As per the Indian Accounting Standard 21 (IndAS - 21), the effect of revaluation of foreign currency loans is to be taken to the Profit and Loss account. Over the past few months rupee has depreciated substantially against the US dollar and hence there has been an adverse impact on the Profit and Loss account. The debt that the Company has drawn in rupees, but swapped into US dollars in order to match the revenue currency, also has a similar impact.

However, the corresponding positive effect on the assets side (i.e., the increase in the rupee value of the ships due to depreciation of the rupee against the US dollar) is not taken to the Profit and Loss account. As a result, there is a very

significant negative impact on the Profit and Loss account when the rupee depreciates versus the US Dollar. In the last six months between 31st March 2018 and 30th September 2018, the rupee depreciated by over 10%. This has had a disproportionate negative impact of over ₹ 325 crores in the Company's Profit and Loss account for the six month period ended 30th September 2018.

Poor freight rates in the tanker business: Charter rates for all kinds of tankers, whether crude, product, or LPG carriers, have been at historically low levels over the past few quarters. Correspondingly the asset values had also dropped. The Company utilised the opportunity to acquire second-hand ships at cheap valuations, and expects that these investments will yield good returns over the longer term. However, they are acting as a drag on profitability in the short term, and adversely impacting the Profit and Loss account.

Your Directors are of the view that the impact of poor freight rates in the tanker business as well as the accounting standards as aforesaid may result in decline in the Company's profitability or may lead to losses for FY 2018-19 onwards.

In the event of absence or inadequacy of profits from FY 2018-19 onwards, the Company may not be able to adequately remunerate the Whole-time Directors, as it may result into exceeding the limits prescribed under the provisions of Section 197 and Schedule V of the Companies Act, 2013. However, Section 197 as well as Schedule V of the Companies Act, 2013 was recently amended which allows payment of remuneration in excess of the limits prescribed therein if the shareholders, by way of special resolution, approve the same for a period not exceeding 3 years. In this respect, approval of the Central Government (as erstwhile required) is no longer necessary.

It may be noted that the existing approvals of the Members for payment of remuneration to the Whole-time Directors are for a period of 5 years. As per the provisions of the Companies Act, 2013 as aforesaid, it is necessary to obtain approval of the Members for a period not exceeding 3 years. As the balance tenure of appointment of the Whole-time Directors is lesser than 3 years, the approval of the Members is sought for payment of remuneration for the remaining tenure of their appointments by way of special resolutions.

Further, the Securities and Exchange Board of India has recently notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. Regulation 3(d)(v)(2) of the said Regulations, which is applicable with effect from April 01, 2019, also requires obtaining approval of the shareholders by way of special resolution if the annual remuneration payable to executive director who is a promoter or member of promoter group exceeds the limits prescribed therein. The said provisions will be applicable to Mr. Bharat K. Sheth, being promoter of the Company.

The Nomination & Remuneration Committee at its meeting held on November 02, 2018 considered the aforesaid factors. The Committee also noted that it is in adverse market conditions that the Company needs to work hardest to build its capability and position it to capitalise on the next upturn. This requires the Whole-time Directors to put in significant effort, all of which will yield results in the years to come. It is therefore necessary to continue to remunerate the Whole-time Directors at the current levels. Considering the same, the Committee recommended restructuring the variable pay of Mr. Bharat K. Sheth, Mr. Tapas Icot and Mr. G. Shivakumar to be linked to individual and Company's performance as against the same being calculated with reference to the net profit of the Company with effect from April 01, 2018, within the overall existing limits approved by the Members as set out hereinafter.

The Nomination & Remuneration Committee also noted that the existing term of appointment of Mr. Tapas Icot expires on August 11, 2019. The Committee thought it appropriate and administratively convenient to terminate, with mutual consent, his existing appointment from November 01, 2018 and to re-appoint him for a period of 3 years with effect from November 02, 2018 on restructured terms as aforesaid.

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It may be noted that the Nomination and Remuneration Committee has not recommended any increase in the remuneration of the Whole-time Directors. On the other hand, if in any financial year the Company has no profits or its profits are inadequate, the variable pay of Mr. Bharat K. Sheth shall be 1.5 times his annual Consolidated Salary as against 3 times payable otherwise.

In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors, subject to the approval of the Members, restructured the terms of remuneration payable to Mr. Bharat K. Sheth and Mr. G. Shivakumar, with effect from April 1, 2018 for the remaining tenure of their respective appointments, as follows:

Restructured terms of remuneration of Mr. Bharat K. Sheth

- (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 lakh p.a. to ₹ 485 lakh p.a.
- (b) **Variable Pay:** Variable Pay for each financial year, as may be fixed by the Board of Directors considering individual performance as well as performance of the Company,
 - (i) not exceeding one and half times the annual Consolidated Salary referred to at (a) above if in any financial year the Company has no profits or its profits are inadequate
 - (ii) not exceeding three times the annual Consolidated Salary referred to at (a) above if in any financial year the Company has adequate profits.
- (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) Mr. Bharat K. Sheth shall be paid aforesaid remuneration notwithstanding that the same may exceed the limits prescribed under Section 197(1), Schedule V or any other applicable provisions of the Companies Act, 2013 or Regulation 3(d)(v)(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 or any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time or any other law for the time being in force.
- (e) 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.
- (f) All other terms of the appointment of Mr. Bharat K. Sheth as approved by the Members at their Annual General Meeting held on August 12, 2015 shall remain the same.

Restructured terms of remuneration of Mr. G. Shivakumar:

- (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 lakh p.a. to ₹ 195 lakh p.a.
- (b) **Variable Pay:** Variable Pay for each financial year, as may be fixed by the Board of Directors of the Company considering individual performance as well as performance of the Company, 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) Leave travel allowance
 - (x) Other benefits as may be applicable to his grade from time to time.
- (d) Mr. G. Shivakumar shall be paid aforesaid remuneration notwithstanding that the same may exceed the limits prescribed under Section 197(1), Schedule V or any other applicable provisions of the Companies Act, 2013 as may be amended from time to time or any other law for the time being in force.
- (e) In the event of absence or inadequacy of profit in any financial year, Mr. G. Shivakumar shall be paid aforesaid remuneration as minimum remuneration.
- (f) All other terms of the appointment of Mr. G. Shivakumar as approved by the Members at their Annual General Meeting held on August 12, 2015 shall remain the same.

Re-appointment of Mr. Tapas Icot

In accordance with the recommendations of the Nomination & Remuneration Committee, the Board of Directors terminated, with mutual consent, the existing appointment of Mr. Tapas Icot from November 01, 2018 and re-appointed him as Executive Director for a period of 3 years with effect from November 02, 2018 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 ₹ 130 lakh p.a. to ₹ 210 lakh p.a.
- (b) **Variable Pay:** Variable Pay for each financial year, as may be fixed by the Board of Directors of the Company considering individual performance as well as performance of the Company, not exceeding one time the annual Consolidated Salary referred to at (a) above.

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- (c) In addition, Mr. Tapas Icot 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) Leave travel allowance.
 - (x) Other benefits as may be applicable to his grade from time to time.
- (d) Mr. Tapas Icot shall be paid aforesaid remuneration notwithstanding that the same may exceed the limits prescribed under Section 197(1), Schedule V or any other applicable provisions of the Companies Act, 2013 as may be amended from time to time or any other law for the time being in force.
- (e) In the event of absence or inadequacy of profit in any financial year, Mr. Tapas Icot shall be paid aforesaid remuneration as minimum remuneration.
- (f) Expenses incurred by Mr. Tapas Icot during business trips for travelling, boarding and lodging shall be reimbursed and not considered as perquisites.
- (g) Mr. Tapas Icot 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.
- (h) The Company or Mr. Tapas Icot shall be entitled to terminate this appointment by giving three months' notice in writing.

The resolution passed by the Members at the Annual General Meeting held on September 25, 2014 for appointment of Mr. Tapas Icot shall cease to have effect only upon the resolution for his re-appointment becoming effective.

Restructured terms of remuneration of Mr. Tapas Icot w.e.f. April 1, 2018 upto November 1, 2018

In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors, subject to the approval of the Members, also restructured the terms of remuneration payable to Mr. Tapas Icot, with effect from April 01, 2018 upto November 01, 2018 as set out at sr. no. (a) to (e) of his terms of re-appointment as aforesaid. All other terms of the appointment of Mr. Tapas Icot as approved by the Members at their Annual General Meeting held on September 25, 2014 shall remain the same during period from April 01, 2018 upto November 01, 2018.

The restructured terms of remuneration of Mr. Bharat K. Sheth, Mr. Tapas Icot and Mr. G. Shivakumar are in accordance with the Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, which describes in detail the structure of remuneration, guiding principles, performance criteria, rating methodology etc. Copy of the Remuneration Policy is available on the website of the Company – www.greatship.com.

Your Directors commend the resolutions set out at Item No. 1 to 4 of the accompanying Notice for the approval of the Members.

Mr. Bharat K. Sheth may be deemed to be interested, financially or otherwise, in the Resolution as set out at Item No. 1 of the Notice. Mr. K.M. Sheth and Mr. Pratik K. Sheth may also be deemed to be interested in the Resolution set out at Item No. 1 of the Notice. Other relatives of Mr. Bharat K. Sheth may be deemed to be interested in the Resolution set out at Item No. 1 of the Notice to the extent of their shareholding interest, if any, in the Company.

Mr. G. Shivakumar may be deemed to be interested, financially or otherwise, in the Resolution as set out at Item No. 2 of the Notice. The relatives of Mr. G. Shivakumar may also be deemed to be interested in the Resolution set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Mr. Tapas Icot may be deemed to be interested, financially or otherwise, in the Resolution as set out at Item Nos. 3 & 4 of the Notice. The relatives of Mr. Tapas Icot may also be deemed to be interested in the Resolutions set out at Item Nos. 3 & 4 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.

The information as required to be disclosed under Schedule V (Part II) (Section II) of the Companies Act, 2013 is as follows:

I. GENERAL INFORMATION

1. Nature of Industry:
Shipping industry.
2. Date or expected date of commencement of commercial production:
Not applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus:
Not applicable
4. Financial performance based on given indicators:

(₹ in crore)

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
Total income	2110.39	2224.71	2399.27
Profit before tax	637.28	641.39	167.19
Profit after tax	618.28	601.39	160.19

5. Foreign investments or collaborations, if any:

The Company does not have any foreign collaborations. As per the shareholding pattern of the Company as on September 30, 2018, the foreign investment in the equity shares of the Company is as follows:

Category	No. of equity shares held	% of paid up equity share capital held
Foreign Portfolio Investors/ Foreign Institutional Investors	31,976,257	21.21
Non-resident Indians & others	1,263,701	0.84

II. INFORMATION ABOUT THE APPOINTEES

Mr. Bharat K. Sheth

a. Background details:

Born in 1958, Mr. Bharat K. Sheth joined the Company in 1981, just after obtaining his Bachelor of Science (Economics) with honours from St. Andrews University, Scotland. In the initial years of his career he worked very closely with his colleagues and gained expertise in chartering and Sale & Purchase activities, the most intricate part of the shipping business. He was inducted on the Board as an Executive Director on July 1, 1989 and became Managing Director of the Company with effect from April 1, 1999. He was re-designated as Deputy Chairman & Managing Director of the Company with effect from August 12, 2005.

b. Past Remuneration:

The details of past remuneration paid by the Company to Mr. Bharat K. Sheth have been mentioned in the explanatory statement hereinabove.

Mr. Bharat K. Sheth, who is also the Chairman of Greatship (India) Ltd. (GIL), a wholly owned subsidiary of the Company, was in receipt of commission of ₹ 108 lakh for FY 2017-18 (₹ 130 lakh for FY 2016-17) from GIL.

c. Job profile and suitability:

Substantial powers of management of the affairs of the Company are entrusted with the office of Deputy Chairman & Managing Director of the Company under the overall supervision and control of the Board of Directors. The position is also in charge of the day to day management of the Company. He is also responsible for strategic decision making and initiatives of the Company.

With more than 37 years of experience behind him, Mr. Bharat K. Sheth is well respected in the international shipping business. Mr. Bharat K. Sheth has immensely contributed to the progress, development and growth of the Company.

d. Remuneration proposed

The restructured terms of remuneration proposed to be paid to Mr. Bharat K. Sheth have been mentioned in the explanatory statement hereinabove.

e. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The proposed remuneration is comparable and commensurate with the nature and size of the business of the Company and nature of the industry as well as the responsibilities of the appointee.

f. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any

Mr. Bharat K. Sheth holds 1,57,19,490 equity shares in the Company including shares held as trustee.

He is the son of Mr. K. M. Sheth, Chairman of the Company and brother of Mr. Ravi K. Sheth, Non-executive Director of the Company.

Apart from the receipt of remuneration and dividend from the Company, he has no other pecuniary relationship directly or indirectly with the Company or its managerial personnel.

Mr. G. Shivakumar

a. Background details:

Born in 1967, 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. He had stints in key functions like Treasury, Corporate Finance, Human Resources and Strategic Planning. He rose to become the Chief Financial Officer of the Company in 2008 and the Executive Director & CFO of the Company in 2014.

Mr. G. Shivakumar is also the Chief Financial Officer of Greatship (India) Limited, a wholly owned subsidiary of the Company.

b. Past Remuneration

The details of past remuneration paid to Mr. G. Shivakumar have been mentioned in the explanatory statement hereinabove.

c. Job profile and suitability

The position of Executive Director and CFO of the Company is in charge of the finance and accounts division of the Company. The position also oversees the functions of corporate communication, human resource and information technology. In addition he is also responsible for such other functions as may be delegated by the Deputy Chairman and Managing Director and the Board of Directors from time to time. He reports to the Deputy Chairman and Managing Director.

Mr. G. Shivakumar possesses the functional and management skills and has rich experience of over 28 years working with the Group.

d. Remuneration proposed

The restructured terms of remuneration proposed to be paid to Mr. G. Shivakumar have been mentioned in the explanatory statement hereinabove.

e. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The proposed remuneration is comparable and commensurate with the nature and size of the business of the Company and nature of the industry as well as the responsibilities of the appointee.

f. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any

Mr. G. Shivakumar holds 57 equity shares in the Company.

Apart from the receipt of remuneration and dividend from the Company, he has no other pecuniary relationship directly or indirectly with the Company or its managerial personnel.

Mr. Tapas Icot

a. Background details:

Born in 1955, Mr. Tapas Icot is a Commerce Graduate with a Post Graduate Diploma in Management Studies and Masters in Financial Management from Mumbai University. He is an Associate of the Insurance Institute of India and a Fellow of the Indian Council of Arbitration.

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Mr. Tapas Icot started his career with United India Insurance Co. Ltd. before moving into the shipping industry. He has had stints with India Steamship and Essar Shipping before joining the Company.

Mr. Tapas Icot joined the Company in 1991 as a Manager in the Claims Department and thereafter has been instrumental in key roles including creating a Strategic Planning Cell and heading the Commercial function of the Company. He rose to become the President (Shipping) of the Company in 2006 and the Executive Director & President (Shipping) in 2014.

b. Past Remuneration:

The details of past remuneration paid to Mr. Tapas Icot have been mentioned in the explanatory statement hereinabove.

c. Job profile and suitability:

The position of Executive Director and President (Shipping) of the Company is in charge of the shipping division of the Company which, inter alia, covers sale & purchase, chartering, operations, technical, quality & safety and insurance functions. In addition he is also responsible for such functions as may be delegated by the Deputy Chairman and Managing Director and the Board of Directors from time to time. The position reports to the Deputy Chairman and Managing Director.

Mr. Tapas Icot possesses the functional and management skills and has rich experience of over 40 years.

d. Remuneration proposed:

The terms of remuneration proposed to be paid to Mr. Tapas Icot have been mentioned in the explanatory statement hereinabove.

e. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The proposed remuneration is comparable and commensurate with the nature and size of the business of the Company and nature of the industry as well as the responsibilities of the appointee.

f. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any

Mr. Tapas Icot holds 1600 equity shares in the Company.

Apart from the receipt of remuneration and dividend from the Company, he has no other pecuniary relationship directly or indirectly with the Company or its managerial personnel.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

The main reasons for loss or inadequate profits have been mentioned in the explanatory statement hereinabove.

2. Steps taken or proposed to be taken for improvement

The Company has an established track record in the shipping industry with an experienced and professionally qualified management. It has also successfully managed many shipping cycles over the last seven decades.

Freight rates in tanker shipping have been at low levels recently due to a global oversupply of ships. Since shipping is a cyclical business, it is expected that the market will improve in the course of time. In the

meantime, shipping companies have to accept the price that is determined by the market, and the only area that can be controlled is the cost base. As explained in the Chairman's statement in the Annual Report of FY 2016-17, a major part of the cost comes from the acquisition value of the ships and how those acquisitions are funded. As part of its management of cycles, the Company has utilized the opportunity to invest in additional capacity in the low part of the market. The recent purchases have helped to create low-cost capacity, preparing the Company for superior profitability when the market cycle turns. As stated in the Chairman's statement mentioned above, it is expected that the investments of the last two-three years will provide dollar returns in excess of 10%.

While waiting for the recovery in the market, the Company has continued with its efforts to ensure that its ships are maintained and operated to the best international standards. This enables the Company to maximize earnings in both bad and good markets.

The Company has also positioned itself for the recovery by keeping a large part of the fleet in the spot market, and thus able to take advantage of any increase in freight rates.

3. Expected increase in productivity and profits in measurable terms

The Company believes that improvement in the shipping industry globally coupled with the aforesaid initiatives will result in increase in its profitability.

IV. DISCLOSURES

Necessary disclosures have been mentioned in the Board of Director's Report under the heading Corporate Governance attached to the financial statements for FY 2017-18.

THE GREAT EASTERN SHIPPING CO. LTD.

Annexure I

Summary of the terms of remuneration of the Whole-time Directors as approved by the Members at the Annual General Meetings held on September 25, 2014 and August 12, 2015 is as follows:

	Mr. Bharat K. Sheth	Mr. Tapas Icot	Mr. G. Shivakumar
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 lakh p.a. to ₹ 485 lakh p.a.	In the scale ₹ 130 lakh p.a. to ₹ 210 lakh p.a.	In the scale of ₹ 120 lakh p.a. to ₹ 195 lakh p.a.
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 of the Company)	Not exceeding three times the annual Consolidated Salary as aforesaid.	Not exceeding one time the annual Consolidated Salary as aforesaid.	Not exceeding one time the annual Consolidated Salary as aforesaid.
Benefits	The Whole-time Directors are also entitled to other benefits such as transport/conveyance facilities, telecommunication facilities, reimbursement of medical expenses, insurance cover, housing loan, club membership, leave travel allowance, leave encashment, etc.		

The terms of the appointment of the Whole-time Directors also specify that, in the event of absence or inadequacy of profit in any financial year, they shall be paid aforesaid remuneration as minimum remuneration subject to the approval of the Central Government (if required).



THE GREAT EASTERN SHIPPING CO. LTD.

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

Tel.: 022 6661 3000 / 2492 2100 | Fax: 022 2492 5900

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

CIN: L35110MH1948PLC006472

POSTAL BALLOT FORM

Sr. No:

1. Name(s) of Member (including joint Member, if any)
2. Registered address of the sole / first named Member
3. Registered Folio No / DP ID No. and Client ID No.
(*Applicable to Members holding shares in dematerialized form)
4. Number of Equity Shares held
5. I/We hereby exercise my /our vote in respect of the following Resolutions to be passed through Postal Ballot for the special business stated in the Notice dated November 02, 2018 of The Great Eastern Shipping Company Limited by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark in the appropriate box below:

Item No.	Description of Special Resolutions	No. of Equity Shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent from the Resolution (AGAINST)
1.	Special Resolution according approval for restructuring the remuneration of Mr. Bharat K. Sheth, the Deputy Chairman & Managing Director of the Company, with effect from April 01, 2018 for the remaining tenure of his appointment.			
2.	Special Resolution according approval for restructuring the remuneration of Mr. G. Shivakumar, the Executive Director of the Company, with effect from April 01, 2018 for the remaining tenure of his appointment.			
3.	Special Resolution according approval for restructuring the remuneration of Mr. Tapas Icot, the Executive Director of the Company, with effect from April 01, 2018 upto November 01, 2018.			
4.	Special resolution according approval for re-appointment of Mr. Tapas Icot as a Whole time Director of the Company designated as an 'Executive Director' for a period of 3 years with effect from November 02, 2018 on the terms set out in the Explanatory Statement.			

Place:

Date:

Signature of the Member

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	USER ID	PASSWORD

Notes:

- 1) Please read the instructions printed overleaf and in the Notice carefully before exercising your vote.
- 2) If the voting rights are exercised electronically, there is no need to use this Postal Ballot Form.
- 3) For detailed instructions on e-voting, please refer to the Postal Ballot Notice.

INSTRUCTIONS

1. This Postal Ballot Form is provided for the benefit of the Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting i.e., either through e-voting or by Postal Ballot Form. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Postal Ballot Form shall be treated as invalid.
3. The Postal Ballot Form should be completed and signed by the Member, as per the specimen signature registered with the Company or furnished by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL), in respect of shares held in physical form or dematerialized form respectively. In case of joint holding, this Form must be completed and signed by the first named Member and in his/ her absence, by any next named Member.
4. There will be one Postal Ballot Form for every Folio/DP ID and Client ID irrespective of the number of joint Members.
5. The exercise of vote through Postal Ballot is not permitted through a proxy.
6. In the case of shares held by Institutions, Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the board resolution/authorization together with the specimen signature(s) of the duly authorised signatories. A Member may sign the Postal Ballot Form through an Attorney, in which case a copy of the Power of Attorney should be attached to the Postal Ballot Form.
7. Voting rights shall be reckoned on the paid-up value of the equity shares registered in the name(s) of the Member(s)/ beneficial owners as per the lists received from NSDL/CDSL on the cut-off date i.e., Friday, December 14, 2018.
8. A Member seeking duplicate Postal Ballot Form can write to the Company, at its registered office, or its Registrar and Share Transfer Agents: Karvy Fintech Private Limited (earlier Karvy Computershare Private Limited) Karvy Selenium Tower, B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032.
9. A Member desirous to exercise vote by Postal Ballot may complete this Postal Ballot Form and send to the Scrutinizer, Ms. Dipti Mehta, Practicing Company Secretary, in the enclosed postage prepaid self-addressed envelope so that it reaches the Scrutinizer not later than 5.00 p.m. (IST) on Wednesday, January 23, 2019.
10. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed postage prepaid self-addressed envelope. If any other papers are found the same will be destroyed by the Scrutinizer.
11. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten or wrongly signed Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.