

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **50th ANNUAL GENERAL MEETING** of the Members of **GSEC LIMITED** will be held on **Thursday, the 29th day of September, 2016** at **11:30 a.m.** at **Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009** to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited standalone & Consolidated Financial Statements of the Company including audited Balance Sheet, as at 31st March, 2016, Statement of Profit and Loss and Cash Flow Statement for the year ended on 31st March, 2016 together with the Directors' Report and the Auditors' Report thereon.
- 2 To declare dividend on Equity Share Capital of the Company.
- 3 To appoint a Director in place of Mr. Samir Mankad (DIN: 00421878), who retires by rotation and being eligible seeks re-appointment.
- 4 To ratify the appointment of the Statutory Auditors of the Company made at the 48th Annual General Meeting and to fix their remuneration. In this connection, 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 139 of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modifications or amendments or re-enactments made thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, the appointment of M/s. BJS & Associates, Chartered Accountants, Ahmedabad (Registration No. 113268W) made up to conclusion of the Annual General Meeting to be held in the year 2019 (subject to ratification of the appointment by the members at every Annual General Meeting) be and is hereby ratified until the conclusion of the next Annual General Meeting of the company and that the Auditors be paid such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

- 5 Appointment of Mr. Sandip Parikh (DIN: 00030990) as an Independent Director of the company.
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**
"RESOLVED THAT pursuant to provision of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sandip Parikh (DIN: 00030990), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 17, 2016 and who holds office till the conclusion of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years."
- 6 Appointment of Ms. Raji Shaishav Shah (DIN: 06893581) as a Director of the Company.
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**
"RESOLVED THAT in accordance with the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Raji Shah (DIN: 06893581) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2016 and holds office until the conclusion of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose appointment of Ms. Raji Shah as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
- 7 Appointment of Ms. Raji Shaishav Shah (DIN: 06893581) as a Whole-time Director of the Company.
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 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for appointment of Ms. Raji Shah (DIN: 06893581) as Whole-time Director of the Company with effect from April 1, 2016 for a period of three years, as well as for the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors and/or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the said Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, she shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

- 8 Re-appointment of Mr. Rakesh Shah (DIN: 00421920), as Chairman and Managing Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Rakesh Shah (DIN: 00421920), as Chairman and Managing Director of the Company with effect from April 1, 2016 for a period of three years , as well as for the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors and /or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be decided by the Board of Director.

RESOLVED FURTHER THAT the said Director shall not be liable to retire by rotation.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

- 9 Re-Appointment of Mr. Shaishav Shah (DIN: 00019293) as a Whole-time Director of the Company.

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 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Shaishav Shah (DIN:00019293) as Whole-time Director of the Company with effect from April 1, 2016 for a period of three years, as well as for the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors and /or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the said Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

NOTES:

- 1 A member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
- 2 Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, 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, may appoint a single person as proxy, who shall not act as a proxy for any other member.

- 3 A proxy, in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.
- 4 Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 5 Only bonafide members of the company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- 6 Members are requested to bring their copies of Annual Report to the Meeting.
- 7 In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
- 8 Company has fixed 29th September, 2016 as record date for the purpose of determining the entitlement of dividend.
- 9 Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed/unpaid dividend till the financial year ended March 31, 2008 has been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.
- 10 The Company has appointed M/s. Big Share Services Private Limited in place of M/s. Sharepro Services (India) Private Limited as Registrar and transfer agent for physical and dematerialised shares. The Members are requested to take note and deal with the aforesaid agency when necessary. Members are further requested to intimate any change of name address etc. to RTA i.e. M/s. Big Share Services Private Limited at A/802 Samudra Complex, Near Klassic Gold Hotel, Off C G Road, Ahmedabad-380009, Gujarat, INDIA or the Secretarial Department of the Company at registered office immediately.
- 11 Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
- 12 Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer form SH 4 for the same.
- 13 Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 14 Members may also note that the Notice of the 50th Annual General Meeting and the Annual Report for the financial period ended on 31.03.2016 will also be available on the Company's website www.gsecl.co.in for their download.
- 15 The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances/queries to the e-mail address: cs@gsecl.co.in.
- 16 A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 17 A Route Map showing the Directions to reach the venue of the 50th Annual General Meeting is attached herewith as per the requirement of Secretarial Standards - 2 on General Meeting.

18 Details of Directors seeking appointment/re-appointment at the 50th Annual General Meeting of the Company:

Name of Director	Mr. Samir Hanskumar Mankad	Mr. Sandip Ashwinbhai Parikh
Date of Birth	July 13, 1960	August 08, 1963
Date of Appointment	March 08, 2004	February 17, 2016
Relationship with Directors	None	None
Qualifications	B.E. (Mechanical), M.B.A.	Chartered Accountant (FCA), LLB, B Com.
Expertise in functional area	Air Cargo operations, Logistics and allied services	Corporate Finance and Taxation matters, Cross border tax matters, Transactions Advisory
Board Membership in other Companies as on March 31, 2016	1. GSEC LOGISTICS LIMITED 2. GSEC AVIATION LIMITED	1. DYNAMIC TAX SERVICES PRIVATE LIMITED 2. GKC ADVISORY SERVICES PRIVATE LIMITED 3. KAUSHIKI ARTS PRIVATE LIMITED
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2016	Nil	Nil
Number of Shares held in the Company as on March 31, 2016	Nil	Nil
Name of Director	Ms. Raji Shaishav Shah	Mr. Rakesh Ramanlal Shah
Date of Birth	February 02, 1982	March 04, 1953
Date of Appointment	March 01, 2016	March 08, 2004
Relationship with Directors	Spouse of Mr. Shaishav Shah Wholetime Director of the company and Daughter in-Law of Mr. Rakesh Shah Managing Director of the company	Father of Mr. Shaishav Shah Wholetime Director of the company and father in-law of Ms. Raji Shah Wholetime Director of the company.
Qualifications	B Com	B Com
Expertise in functional area	Administrative and Finance	Management and Administration
Board Membership in other Companies as on March 31, 2016	1. GSEC INFRASTRUCTURE PVT. LTD. 2. GSEC GREEN ENERGY PVT. LTD. 3. KOMAL INFRAVENTURES PVT LTD. 4. KOMAL INFOTECH PVT LTD.	1. MIRAJ IMPEX PRIVATE LIMITED 2. NISHU EXIM PRIVATE LIMITED 3. KALPAVRUKSHA ESTATE AND FINANCE PVT. LTD. 4. GSEC LOGISTICS LIMITED 5. GSEC AVIATION LIMITED 6. GULMOHAR GREENS GOLF AND COUNTRY CLUB LTD
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2016	Nil	Nil
Number of Shares held in the Company as on March 31, 2016	Nil	636090 (8.43%)

Name of Director	Mr. Shaishav Rakeshkumar Shah
Date of Birth	May 05, 1984
Date of Appointment	June 12, 2010
Relationship with Directors	Spouse of Ms. Raji Shah Wholetime Director of the company and Son of Mr. Rakesh Shah Managing Director of the company
Qualifications	B Com and Post Graduate Diploma in Management
Expertise in functional area	Business development, Administrative and Finance
Board Membership in other Companies as on March 31, 2016	1. GSEC AVIATION LIMITED 2. GSEC LOGISTICS LIMITED 3. KALPAVRUKSHA ESTATE AND FINANCE PRIVATE LIMITED 4. MIRAJ IMPEX PRIVATE LIMITED 5. GSEC GREEN ENERGY PRIVATE LIMITED
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2016	Nil
Number of Shares held in the Company as on March 31, 2016	487270 (6.45%)

Date: August 26, 2016

Place: Ahmedabad

By Order of the Board of Directors,
For GSEC Limited,

CHINTAN PATEL
Company Secretary

EXPLANATORY STATEMENT AS REQUIRED UNDER Section 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating Special Businesses mentioned in the accompanying Notice

Item No. 5

Mr. Sandip Ashwinbhai Parikh was appointed by the Board of Directors of the Company as an Additional Director (Independent Director) with effect from February 17, 2016. He holds office until the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Sandip Parikh for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mr. Parikh is Chartered Accountant by profession and fellow member of the Institute of Chartered Accountants of India (FCA). He also holds a Bachelor's degree of commerce and Law. He has spent his entire professional career working in the field of Corporate Finance, Taxation including Cross border taxation and Transactions Advisory matters. He holds a position of Director in Dynamic Tax Services Private Limited, GKC Advisory Services Private Limited and Kaushiki Arts Private Limited.

He does not hold any shares in the Company.

Mr. Parikh has given his consent to act as a Director and he is not disqualified in terms of Section 164 of the Companies Act, 2013 for being appointed as Director.

The Company has received declaration from him that he meets with the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Rules made thereunder.

The Board is of the opinion that Mr. Parikh fulfills the conditions specified in the said Act and the Rules made thereunder and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management. Mr. Parikh is proposed to be appointed as an Independent Director for a term of 5 years up to February 15, 2021.

The Board recommends the Resolution set out under item no. 5 for approval of members.

Except Mr. Parikh, being an Appointee, none of the other Directors of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

The Company is not required to appoint Key Managerial Personnel in the Company.

Item No. 6 & 7

Ms. Raji Shaishav Shah was appointed as an Additional Director on the Board of the Company with effect from April 1, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013. At the same meeting, the Board also appointed Ms. Raji Shah as Whole Time Director for a period of three years from April 1, 2016 on the terms and conditions as set out below as approved by the Board, subject to approval of the members at the ensuing Annual General Meeting (AGM).

As company need such profile who look after companies' day to day affairs including financial activities appointment of Ms. Raji Shah is found most suitable for the said post. She is holding the bachelor degree of commerce and possessing relevant experience in the field of finance and other relevant areas. After considering the same, the Board recommends her appointment as a Whole time Director of the Company in best interests of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Raji Shah will hold office upto the date of ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Ms. Raji Shah for the office of Director.

The proposal for the appointment of Ms. Raji Shah as a Whole-time Director of the Company as per the terms and conditions mentioned below, is therefore placed before the members for approval.

The details of remuneration payable to Ms. Raji Shah and the terms and conditions of the appointment are given below:

Tenure: 1st April, 2016 to 31st March, 2019

Salary: Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding ₹ 18,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

Increment: An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.

Perquisites: In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.

- (i) Medical Reimbursement: Expenses incurred for self and her family subject to a ceiling of ₹ 24,000/- per year or ₹ 72,000/- over a period of three years.
- (ii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure.
- (v) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

The Board recommends the Resolution set out under item no. 6 and 7 for approval of members.

Except Ms. Raji Shah, being an appointee and Mr. Rakesh Shah, Managing Director, Mr. Shaishav Shah Whole Time Director and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolutions set out at item no. 6 and 7.

The Company is not required to appoint Key Managerial Personnel in the Company.

Item No. 8

The Board of Directors in their meeting held on February 17, 2016, has re-appointed Mr. Rakesh Shah as Chairman and Managing Director of the Company for a period of three years from April 1, 2016 to March 31, 2019, subject to approval of the members at the ensuing Annual General Meeting (AGM).

Mr. Rakesh Shah has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. Mr. Rakesh Shah guided the Company through decade for diversification and growth of the company. It would be in the interest of the Company to continue the employment of Mr. Rakesh Shah as Chairman and Managing Director of the company.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the re-appointment of Mr. Rakesh Shah for the period of three years commencing from April 1, 2016 and payment of remuneration to Mr. Rakesh Shah therefore placed before the members for their approval.

The details of remuneration payable to Mr. Rakesh Shah and the terms and conditions of the appointment are given below:

Tenure: 1st April, 2016 to 31st March, 2019

Salary: Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding ₹ 40,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

Increment: An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.

Perquisites: In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.

- (i) Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of ₹ 24,000/- per year or ₹ 72,000/- over a period of three years.
- (ii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure.
- (v) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.

- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

The Board recommends the Resolution set out under item no. 8 for approval of members.

Except Mr. Rakesh Shah, being an appointee, Mr. Shaishav Shah Whole Time Director and Ms. Raji Shah, Whole-time Director and their relatives, none of the other Directors and of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 8.

The Company is not required to appoint Key Managerial Personnel in the Company.

**STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF
SCHEDULE V OF THE COMPANIES ACT, 2013**

I GENERAL INFORMATION:

1	Nature of Industry	Air Cargo Services, export and trading activities.		
2	Date or Expected Date of Commencement of Commercial Production	Not applicable as the company has already undertaken commercial activities long back.		
3	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
4	Financial performance based on given indicators.	(₹ in Lakh)		
		Particulars	2015-16	2014-15
		Total Income	31816.57	25919.91
		Profit Before Tax and Depreciation (Including exceptional)	548.55	568.89
		Depreciation	269.41	345.19
		Profit Before Tax	279.14	43.70
		Tax	73.16	23.20
		Profit After Tax	205.97	20.50
		Equity Capital (face value ₹ 10)	755.00	755.00
		Earnings per Share (₹)	2.73	0.27
5	Export performance based on given indicators.	(₹ in Lakh)		
		Particulars	2015-16	2014-15
		Foreign Exchange Earning	—	—
		Foreign Exchange Outgo	67.06	70.90
6	Foreign Investments or Collaborations, if any.	The Company did not have any foreign investments or collaborations.		

II INFORMATION ABOUT THE APPOINTEE:

1 Background Details:

Shri Rakesh Shah is a commerce graduate from the Gujarat University. At a very young age he involved himself in the varied businesses; mainly commodity trading. Early achievements made Shri Shah so confident that it was never looking back for him since then. He has been involved in many different businesses under different enterprises which he steered successfully. At present, he serves as the Chairman and Managing Director of the Company.

2 Past Remuneration:

Details of past remuneration paid to Mr. Rakesh Shah is mentioned herein below:

Period	Remuneration Paid
1st April, 2014 to 31st March, 2017	₹ 3,00,000/- Per Month

3 Recognition or awards:

1. Past President of the Gujarat Chamber of Commerce and Industry (GCCI)
2. President of Jain Cultural Group
3. President of Shri Vasupujya Swami Jain Derasar, Bidaj

4 Job Profile and his suitability:

The Chairman steers the Board of Directors and assures the smooth running of the Board Proceedings and the Company as a whole. The Managing Director shoulders the responsibility of the overall management and administration of the company.

Shri Rakesh Shah shoulders the responsibilities of Chairman and Managing Director since the acquisition of the Company. His continuous dedication and perseverance towards achieving excellence has been the motivating force behind the turnaround story of GSEC Limited. The Board has showed trust in Shri Rakesh Shah to be the most suitable candidate for the post of Chairman and Managing Director of the Company.

5 Remuneration proposed:

Salary: Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding ₹ 40,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

Increment: An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.

Perquisites: In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified here in above.

- (i) Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of ₹ 24,000/- per year or ₹ 72,000/- over a period of three years.
- (ii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure.
- (v) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

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

Being in a service industry with the responsibility entrusted by the Government with no direct competitor, no such statistics is available or can be framed out.

7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Rakesh Shah is having pecuniary relationship with the company to the extent of his shareholding, remuneration and transaction as mentioned in the notes to the financial statement. Further Mr. Shaishav Shah Whole-time Director is son and Ms. Raji Shah Whole-time Director is daughter in law of Mr. Rakesh Shah.

III OTHER INFORMATION:
1 Reasons of Loss or Inadequate Profits:-

The Company's main operations i.e. air cargo handling and allied services are completely dependent on the imports and exports in and out of the state which are further dependent on the local and external environment. The Company is very prone; even to the small fluctuations in national and international economy.

Moreover, there is a direct involvement of the Government of India, through its various authorities and departments in the operations of the company. The handling and other service charges are decided directly by the concerned Department which naturally are highly customer friendly and hence render little room for the profitability for the company. Further, there are pretty high maintenance and operations costs has to be borne by the company mainly due to constantly increasing Government Royalty, space rent and other maintenance costs incurred for the latest high capacitive machineries and tools.

The trading business of petro chemicals, bitumen etc is also restricted to the number of industrial customers which are unlikely to fluctuate much. Hence, there is little room to increase the reach of the company to the whole new levels in short to medium term.

Further, due to constant increase in lending rates by banks, the burden of interest on the company has significantly gone up.

2 Steps taken or proposed to be taken for improvement:

After acquiring the company from the then Government of Gujarat, lot has gone into redefining, restructuring and improvising the operations of the Company. The company has been now stabilized and has reached to the new level of growth thanks to the diversified businesses taken up and the team efforts of the new management.

The new air cargo complex with 8X capacity to handle the air cargo against the existing one has been built. Latest technology has been introduced and the operations has been completely redefined and made more customer friendly. The result being the company has been able to register tremendous growth in operations and profitability in few years. The company has continued to right size its employee base to current level of operations.

The management of the company constantly looks after and categorizes the new avenues of businesses to add profitability. The company has also been moderate to aggressive in taking up the marketing efforts to increase its operations. The Company continues to focus on the quality of the services provided, upholding of its high business values, increase in its cost competitiveness and on widening of its distribution network. The company is expected to achieve new heights in terms of volume of operations and profitability in years to come.

3 Expected increase in productivity and profits in measurable terms:

As already mentioned in Point no.1, being dependent on the external factors in terms of the main operations of the company, it is hard to project the future operations and profits. However, there is a strong content and dedication of the management of the company to register the growth in terms of increase in operations as well as the profitability of the company on a year to year basis.

IV REASONS AND JUSTIFICATION FOR PAYMENT BEYOND LIMITS SPECIFIED IN SCHEDULE V:

Shri Rakesh R. Shah has been the key person in taking over of the then Gujarat State Export Corporation Limited in 2004 and serving as the Chairman and Managing Director of the company since then. He is having over 40 years of business experience in varied areas. Shri Shah steered an ailing government company after its privatization to a profitable company in two short years and achieved a compounded annual growth rate (CAGR) of over 20% in the business.

Item No. 9

The Board of Directors in their meeting held on February 17, 2016, re-appointed Mr. Shaishav Shah as Whole Time Director of the Company for further period of three years from April 1, 2016 to March 31, 2019, subject to approval of the members at the ensuing Annual General Meeting (AGM).

Mr. Shaishav Shah was associated with company since 2010, he played leading role to convert GSEC Limited as a company in to GSEC Group having diversified business activities in Cargo, Aviation, Petro products. Company has achieved new heights and has sailed through many new developments and innovations. Considering the performance of the said Director, the Board recommends his re-appointment in best interests of the company.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the re-appointment for the period from April 1, 2016 upto March 31, 2019 and payment of remuneration to Mr. Shaishav Shah are being placed before the members for their approval.

The details of remuneration payable to Mr. Shaishav Shah and the terms and conditions of the appointment are given below:

Tenure: 1st April, 2016 to 31st March, 2019

Salary: Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding of ₹ 24,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

Increment: An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount based on the existing HR Policy of the Company.

Perquisites: In addition to the salary, the said Whole-time Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.

- (I) Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of ₹ 24,000/- per year or ₹ 72,000/- over a period of three years.
- (ii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure.
- (v) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

The Board recommends the Resolution set out under item no.9 for approval of members.

Except Mr. Shaishav Shah, being an appointee and Mr. Rakesh Shah Managing Director, Ms. Raji Shah Whole-time Director and their relatives, none of the other Directors of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 9.

The Company is not required to appoint Key Managerial Personnel in the Company.

Date: August 26, 2016
Place: Ahmedabad

**By Order of the Board of Directors,
For GSEC Limited,**

CHINTAN PATEL
Company Secretary

GSEC Limited

CIN: U52100GJ1965PLC001347

Regd. Office: Gujarat Chambers Building, Ashram Road, Ahmedabad – 380 009, Gujarat

Phone: +91-79-2655 4100 / 2657 5757 / 2658 5757 **Fax:** +91-79-26584040

Email: info@gsecl.co.in, **Web:** www.gsecl.co.in

Attendance Slip

I/We hereby record my/our presence at the 50th Annual General Meeting of the Company being held on Thursday 29th September, 2016 at 11:30 AM at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009.

Full name of the Member: _____

Folio No: _____ **DP ID No.:** _____

No. of shares held: _____

Full name of the Proxy: _____

Member's /Proxy's Signature: _____

Note: Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

GSEC Limited

CIN: U52100GJ1965PLC001347

Regd. Office: Gujarat Chambers Building, Ashram Road, Ahmedabad – 380 009, Gujarat**Phone:** +91-79-2655 4100 / 2657 5757 / 2658 5757 **Fax:** +91-79-26584040**Email:** info@gsecl.co.in, **Web:** www.gsecl.co.in**PROXY FORM****FORM NO. MGT-11**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s): _____

Registered Address: _____

E-mail Id: _____

Folio / DP ID: _____

I /We being the member (s) holding Shares of the above named Company hereby appoint:

(1) **Name:** _____

Address: _____

Email ID: _____ **Signature:** _____ **or failing him / her:**

(2) **Name:** _____

Address: _____

Email ID: _____ **Signature:** _____ **or failing him / her:**

(3) **Name:** _____

Address: _____

Email ID: _____ **Signature:** _____ **or failing him / her:**

as my/ our Proxy to attend and vote on poll for me/us on my/ our behalf at the 50th Annual General Meeting of the Company to be held on Thursday, the 29th September, 2016 at 11:30 AM at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof and respect of such resolution mentioned below:

Resolution No.	Resolution	#Optional	
		For	Against
Ordinary Business			
1	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2	Declaration of Dividend on Equity Shares.		
3	Re-appointment of Mr. Samir Mankad (DIN 00421878), who retires by rotation.		
4	Ratify the appointment of M/s. BJS & Associates, Chartered Accountants as Statutory Auditors and fix their remuneration.		
Special Business			
5	Appointment of Mr. Sandip Parikh (DIN 00030990) as an Independent Director of the company.		
6	Appointment of Ms. Raji Shah (DIN 06893581) as a Director of the Company.		
7	Appointment of Ms. Raji Shah (DIN 06893581) as a Whole-time Director of the Company.		
8	Re-appointment of Mr. Rakesh Shah (DIN 00421920) as Chairman and Managing Director of the Company.		
9	Re-appointment of Mr. Shaishav Shah (DIN 00019293) as a Whole-time Director of the Company		

Signed this _____ day of _____ 2016.

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

Affix a
Revenue
Stamp
of ₹ 1

Note:

- 1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- 2 For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 50th Annual General Meeting.
- #3 It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4 Please complete all details including details of member(s) in above box before submission

ROUTE MAP FOR AGM HALL - SHETH SRI KASTURBHAI LALBHAI HALL

