

ALLCARGO LOGISTICS LIMITED

(CIN: L63010MH2004PLC073508)

Regd. Office: Avashya House, 6th Floor, CST Road, Kalina, Santacruz (E), Mumbai – 400 098

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POSTAL BALLOT NOTICE

Dear Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the following resolution is proposed to be passed as special resolution by way of postal ballot / e-voting.

1. Re-appointment of Mr. Umesh Shetty, as Chief Executive Officer – Projects & Engineering Solutions Division of the Company, under Section 188(1)(f) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Rules and Regulations framed thereunder, for a term of 3 years.

Accordingly, the proposed Resolution and the Explanatory Statement stating all the material facts and the reason for the proposal are appended herewith along with a Postal Ballot Form for your consideration and approval.

The Company has appointed Ms. Dipiti Mehta, Partner of M/s. Mehta & Mehta, a firm of Practicing Company Secretaries, Mumbai as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the postal ballot form sent herewith, record your assent or dissent therein and return the said form in original, duly completed and signed in the attached self addressed, postage pre-paid business envelope so as to reach the Scrutinizer on or before Saturday, December 27, 2014. Please note that any postal ballot form(s) received after the said date will be treated as not having been received as per Rule 22(12) of the Companies (Management and Administration) Rules, 2014. No other Form or photocopy thereof is permitted.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Postal Ballot Form. References to Postal Ballot(s) in this notice include votes received electronically.

Upon completion of the scrutiny of the ballots, the Scrutinizer will submit report to the Chairman & Managing Director or Company Secretary & Compliance Officer of the Company. The result of the postal ballot will be announced by the Chairman & Managing Director or Company Secretary & Compliance Officer of the Company on Tuesday, December 30, 2014, at 5.00 p.m. at the Registered Office of the Company at Avashya House, 6th Floor, CST Road, Kalina, Santacruz (East), Mumbai – 400 098. Members who wish to remain present at the time of declaration of result of the Postal Ballot may do so at the above venue and appointed date.

The result of the postal ballot will be displayed at the registered office of the Company and on the website of the Company at www.allcargologistics.com and also will be communicated to the BSE Limited and the National Stock Exchange of India Limited, in accordance with the provisions of the Listing Agreement.

RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 (the “Act”) read with Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Rules and Regulations framed thereunder, consent of the Company be and is hereby accorded to the re-appointment of Mr. Umesh Shetty, brother and relative of Mr. Shashi Kiran Shetty, Chairman & Managing Director of the Company, as Chief Executive Officer - Project & Engineering Solutions Division of the Company, on the following terms & conditions and remuneration as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company.

(I) Period:

The appointment shall be with effect from January 1, 2015 and shall be valid for a period 3 years i.e. upto December 31, 2017.

(II) Duties and Responsibility:

Subject to the superintendence, control and overall direction of the Board of Directors of the Company, Mr. Umesh Shetty as Chief Executive Officer of Project & Engineering Solutions Division shall be responsible for general conduct and management of the Project & Engineering Solutions business of the Company and Mr. Umesh Shetty shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and shall also do and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

(III) Remuneration: Basic Salary

Rs.8,50,000 (Rupees Eight Lac Fifty Thousand only) per month with a power to the Board to increase the salary payable to the CEO up to a maximum limit of Rs.12,00,000/- (Rupees Twelve Lacs only) per month from time to time.

(IV) Perquisites & Allowances: Subject to ceiling of 100% of the Basic Salary:

In addition to the prescribed basic salary, Mr. Umesh Shetty will also be entitled to perquisites and allowances like house rent allowance or rent free furnished accommodation in lieu thereof, medical reimbursement actually incurred for himself and his family, subject to the limits set by the Company's policies, coverage under medical insurance, coverage under Keyman Insurance Scheme, conveyance allowance, leave travel concession for himself and his family, leave encashment, club fees, special allowance, Chauffeur driven car for office and personal use, telephone at the residence and mobile phone with SIM card, contribution to provident fund, superannuation fund and payment of gratuity fund, ESOP, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors of Company with Mr. Umesh Shetty.

In addition to the above, Mr. Umesh Shetty will also be entitled to the Performance Incentive based on the net profit of the Company of such percentage or of such amount as the Nomination and Remuneration Committee recommends and determined by the Board of Directors of the Company keeping in view the performance of Mr. Umesh Shetty vis-à-vis performance of the Company in respect of each financial year.

However, the total remuneration payable to Mr. Umesh Shetty in any financial year during his tenure shall not exceed Rs.3.50 Crore.

(V) Other Terms and Conditions:

- i. Mr. Umesh Shetty shall, unless prevented by ill health or disability throughout his term, devote adequate time and attention exclusively to the business of the Company and in all respects conform to and comply with the directions given and regulations made by the Board of Directors and he shall faithfully and diligently serve the Company and use his best endeavors to promote the interests of the Company.
- ii. Mr. Umesh Shetty shall be in the exclusive employment with Allcargo Logistics Ltd and will not hold a place of profit in any other company.
- iii. Mr. Umesh Shetty shall not, during the continuance of his employment or any time thereafter, divulge or disclose to any person whomsoever or make any use whatsoever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.
- iv. Either Party may terminate the appointment by giving to the other Party an advance notice of six months, provided that the Company may waive the notice by giving in cash the remuneration for six months, which the appointee would have received had he remained in office for the said six months.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation finalizing and executing any agreement, deeds and such other documents as may be necessary and to delegate all or any of the powers vested or conferred herein to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolutions

By Order of the Board
For **Allcargo Logistics Limited**

Sd/-
Shailesh Dholakia
Company Secretary

Place: Mumbai
Date : November 13, 2014

Registered Office:
Avashya House, 6th Floor,
CST Road, Kalina, Santacruz (East),
Mumbai – 400 098

NOTES:

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed Special Resolution at Item No. 1 above, is appended herein below along with Postal Ballot Form for your consideration. The Postal Ballot Form and the self-addressed business reply postage pre-paid envelope are enclosed for use of Members.
2. The Notice is being sent to all the Members, whose names appear in the Register of members/list of Beneficial Owners as received from National Securities Depository Limited ("NSDL")/Central Depository Services (India) Limited ("CDSL") as on Friday, November 14, 2014.
3. The Ministry of Corporate Affairs ("MCA") had in 2012 started a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies through electronic mode. Towards this, MCA has issued circulars stating that the service of notice / document by a company to its shareholders can now be made through electronic mode, subject to a few conditions. Your company appreciates the initiative taken by MCA, as it believes strongly in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from helping avoid losses / delays in postal transit. Members who have not registered their e-mail address with the Company can now register the same by clicking on the link allcargogogreen@linkintime.co.in uploaded on the Company's website: www.allcargologistics.com under Investors Relation under the heading 'Green Initiative'.
4. In addition to getting the documents through your registered e-mail, you can also have access to the documents through company's website: www.allcargologistics.com. While every notice/document will be sent through e-mail address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by e-mail and the same shall be sent to your address registered with the Company/DP, free of cost.
5. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with physical Form through Post/courier. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may indicate their option to receive the physical Postal Ballot Form from the Company by clicking on the box provided in the e-mail or alternatively download the Form from the link www.evoting.nsdl.com or from the 'Investors' section on the Company's website www.allcargologistics.com.
6. Members are requested to carefully read the instructions printed on the attached Postal Ballot form. The form, duly completed and signed, should be returned in the enclosed self addressed, postage prepaid envelope, directly to the Scrutinizer so as to reach on or before Saturday, December 27, 2014. Any response received from the Members after Saturday, December 27, 2014 shall be treated as if no response is received in terms of Rule 22(12) of the Companies (Management and Administration) Rules, 2014.
7. The Members are requested to exercise their voting rights by using the attached Postal Ballot form only.

8. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote through Postal Ballot by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
- Open email and open PDF file viz; "Allcargo Logistics Ltd-e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - Click on member- Login
 - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - Select "Electronic Voting Event Number (EVEN)" of Allcargo Logistics Limited
 - Now you are ready for e-voting as Cast Vote page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed
 - Once you have voted on the resolution, you will not be allowed to modify your vote
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting@mehta-mehta.com or Allcargoe-voting@allcargologistics.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Postal Ballot Notice [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
- Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event No.)	USER ID	PASSWORD/PIN

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

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section under Investors of www.evoting.nsdl.com
- If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN to cast your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The e-voting period commences on Friday, November 28, 2014 (9:00 am IST) and ends on Saturday, December 27, 2014 (6:00 pm IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of November 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of November 14, 2014.
- Mrs. Dipti Mehta, (Membership No. F3667 & COP No. 3202) Partner of M/s. Mehta & Mehta, Company Secretaries in whole time practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company will scrutinize all votes casted by the members and make her Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The Results shall be declared on Tuesday, December 30, 2014. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.allcargologistics.com and on the website of NSDL within two (2) days of declaration of results and communicated to stock exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Ltd.

EXPLANATORY STATEMENT IN RESPECT OF ITEM NO.1 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

Mr. Umesh Shetty was appointed as Chief Executive Officer of Project & Engineering Solutions Division of the Company for a period of 3 years effective from January 1, 2012 till December 31, 2014. Since his appointment as Chief Executive Officer was covered under the erstwhile provisions of section 314 of the Companies Act, 1956, necessary approvals of the members of the Company and Central Government were obtained for his appointment and payment of remuneration.

Considering his performance heading Project & Engineering Solution Division and growth achieved by the Company, the Board co-opted Mr. Umesh Shetty as Executive Director w.e.f. June 1, 2012. The members at the 19th Annual General Meeting held on August 07, 2012 had approved appointment of Mr. Umesh Shetty as Whole Time director for a period of 5 years effective from June 1, 2012 on the terms & conditions and remuneration recommended by the then Compensation/Remuneration Committee and the Board of Directors of the Company.

Due to reconstitution of the Board in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement, Mr. Umesh Shetty has resigned as Director of the Company, however he continues to look after the affairs of the Project & Engineering Solution Division of the Company as before and it is proposed to re-designate him as the Chief Executive Officer of Project & Engineering Solution Division of the Company.

Members may note that during his tenure as CEO of the Project & Engineering Solution Division of the Company as well as Director of the Company, the Project & Engineering Solution Division has achieved desired growth, both in terms of revenue and profit. Such a growth oriented performance was attributable to the entrepreneurial skill, visionary approach, methodological planning and strong leadership of Mr. Umesh Shetty. The growth achieved by the Project & Engineering Solutions Division during the tenure of Mr. Umesh Shetty is summarized hereunder:

Project Division:

(Rs in lacs)

	2009	2010	2011- 2012	2012 - 2013	2013 -2014
Revenue	10,606	15,537	10,966	15,484	16,017
EBITDA	1,584	1,974	854	(823)	1,750
PBT	1,464	1,788	561	(1,297)	(2,338)
Capital Employed	3,432	2,619	3,831	4,711	4,893

Equipment Division:

(Rs in lacs)

	2009	2010	2011- 2012	2012 - 2013	2013 -2014
Revenue	9,959	14,410	31,544	30,967	24,904
EBITDA	5,124	7,470	16,755	16,249	11,410
PBT	1,578	3,412	5,044	4,673	1,226
Capital Employed	27,408	49,622	87,108	97,568	102,982

Considering the growth oriented performance of Mr. Umesh Shetty during his tenure, your Board of Directors vide resolution passed at their meeting held on November 13, 2014, proposed the re-appointment of Mr. Umesh Shetty as Chief Executive Officer – Project & Engineering Solution Division of the Company for further period of 3 years commencing from January 1, 2015 upto December 31, 2017, on the terms & conditions and remuneration as recommended by the Nomination and Remuneration Committee.

Members may kindly note that the position occupied by Mr. Umesh Shetty would be termed as place of profit as described under Section 188(1)(f) of the Companies Act, 2013, being the relative of Mr. Shashi Kiran Shetty, Chairman & Managing Director of the Company, and hence requires prior approval of the Shareholders of the Company.

For Members information, Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(i) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party's appointment to any office or place of profit in the Company carrying monthly remuneration exceeding Rs.250,000/- shall be subject to approval by the Board of Directors of the Company and prior approval of the Members of the Company by special resolution.

Section 110 (1) (b) also provides that the Company may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting of, transact by means of postal ballot.

Members are requested to consider and approve re-appointment of Mr. Umesh Shetty as Chief Executive Officer of Project & Engineering Solutions Division of the Company u/s 188(1)(f) of the Companies Act, 2013, for a period of 3 years effective from January 1, 2015 upto December 31, 2017 on the terms & conditions and remuneration laid out hereinabove.

The Board of Directors recommends the passing of resolution set out in Item No. 1 as a Special Resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company except Mr. Shashi Kiran Shetty, Chairman and Managing Director, being relative of the appointee, is concerned or interested, financial or otherwise, in the proposed resolution

By Order of the Board
For **Allcargo Logistics Limited**

Sd/-
Shailesh Dholakia
Company Secretary

Place: Mumbai
Date : November 13, 2014

Registered Office:
Avashya House, 6th Floor,
CST Road, Kalina, Santacruz (East),
Mumbai – 400 098