

FORBES & COMPANY LIMITED

CIN: L17110MH1919PLC000628

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NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the resolution appended below is proposed to be passed as Special Resolution by way of postal ballot/e-voting. The explanatory statement pertaining to the said resolution setting out the material facts concerning the item and the reasons thereof, as required in terms of Section 102 of the Act, is annexed hereto along with a postal ballot form (the "Form") for your consideration.

The Board of Directors, at its meeting held on January 5, 2016, has appointed Mr. Makarand M. Joshi, Partner, M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

In compliance with Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and pursuant to the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility for its Members. For this purpose, the Company has made an arrangement with National Securities Depository Ltd (NSDL) for facilitating e-voting as an alternate for the Members to enable them to cast their votes electronically.

Members are requested to read the instructions printed on the Form for voting via physical ballot/ electronic mode. The Members who opt for voting via physical ballot are requested to return the Form in original duly completed and signed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Company not later than the close of working hours i.e. 5.00 pm on February 17, 2016.

The Notice of the Postal Ballot has also been uploaded on the Company's website www.forbes.co.in under 'Investors Corner'.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman / Managing Director. The result of the voting conducted through postal ballot would be announced by Chairman /Managing Director or the Company Secretary of the Company on or before February 24, 2016 at the Registered Office of the Company.

The said result would be displayed at the Registered Office of the Company, intimated to BSE Limited, where the securities of the Company are listed and displayed on the Company's website viz., www.forbes.co.in and the website of National Securities Depository Limited viz., www.evoting.nsdl.com, along with the Scrutinizer's report.

In the event the Resolution is approved by requisite majority of Members, the date of declaration of the result shall be deemed to be the date of passing of the said Resolution.

SALE, TRANSFER OR DISPOSAL OF LOGISTICS AND CFS UNDERTAKING

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

"RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, any other law for the time being in force and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "**Board**" which term shall be deemed to include any duly constituted Committee of the Board), to sell, transfer or dispose of its Logistics Business together with all specified tangible and intangible assets, contracts, permission and consents, rights, registrations, personnel & employees, other assets and liabilities as may be agreed between the parties in relation to the Logistics Business ("**Logistics Business**"); and / or Container Freight Station ("**CFS**") situated at Mundra, in Gujarat with all specified tangible and intangible assets and liabilities including lease hold land with building thereon, personnel & employees, equipment and other assets, contracts, permits and licenses, liabilities in relation to the CFS situated at Mundra ("**Mundra CFS**"); and / or CFS situated at Veshvi (Jawaharlal Nehru Port Trust) near Mumbai with all specified tangible and intangible assets, land with building thereon personnel & employees, equipment and other assets, contracts, permits and licenses, liabilities in relation to the CFS situated at Veshvi ("**Veshvi CFS**") (Logistics Business, Mundra CFS and Veshvi CFS are collectively referred to as "**Logistics and CFS Undertaking**").

RESOLVED FURTHER THAT the consent of the Members be and is hereby accorded to the Board to sell, transfer or dispose of Veshvi CFS and Mundra CFS to TG Terminals Private Limited and Logistics Business to Transworld Global Logistics Solutions (India) Private Limited (collectively "Purchasers") in one or more stages, in such manner as the Board may deem fit in the interests of the Company (or to any of its subsidiaries, affiliates, associates or fellow subsidiaries) or to such other third party as the Board may identify and approve in this regard, with effect from such date and on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interest of the Company for an Enterprise Value of not less than Rs. 93.50 Crores (Rupees Ninety Three Crores and Fifty Lacs Only) subject to closing adjustments and debt, if any, to be transferred.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive agreements, deeds of assignment, conveyance deed, undertakings, deeds, transition services agreements, requisite

applications, representations, and execute all such other ancillary documents and to do all such other acts, deeds, matters and things as may be deemed necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and/or transfer of the Logistics and CFS Undertaking as they may in their absolute discretion deem fit without further referring to the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company and to delegate such powers to any Officers of the Company as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to above or contemplated in the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

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E-mail: investor.relations@forbes.co.in
Website: www.forbes.co.in
Place: Mumbai
Date: January 5, 2016

By Order of the Board
For Forbes & Company Limited

Pankaj Khattar
Head Legal & Company Secretary

NOTES AND INSTRUCTIONS:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out the material facts concerning the Special Resolution and the reasons thereof is annexed.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e., National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on the close of business hours on January 8, 2016.
3. The Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company or with their Depository Participants (“DP”) unless any Member has requested for a physical copy of the same. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form (“Ballot Form”) through permitted mode.
4. The Postal Ballot Notice is uploaded on the website of the Company, i.e. www.forbes.co.in and on the website of NSDL, i.e. www.evoting.nsd.com.
5. Voting Period commences on January 19, 2016 at 9.00 am and ends on February 17, 2016 at 5.00 pm.
6. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically.
7. Members can opt for only one mode of voting, i.e. either by Ballot Form or e-voting. However, in case Members cast their vote by Ballot Form and e-voting, then voting done through e-voting shall prevail and voting done by Ballot Form will be treated as invalid.
8. In case a Member has not received the Postal Ballot Form and is desirous of obtaining a duplicate Ballot Form or who has been sent this Postal Ballot Form electronically does not want to avail e-voting facility organised by National Securities Depository Ltd., may write to the Company at the registered office of the Company or Email: investor.relations@forbes.co.in. mentioning their folio/DP ID and Client ID No. However duly filled in and signed duplicate Ballot Form should reach the Company not later than the date and time specified in instructions at Serial No. A(ii) below.
9. Mr. Makarand M. Joshi, Partner, M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, has been appointed as the Scrutinizer for conducting the postal ballot process in fair and transparent manner.
10. Upon completion of the scrutiny of Ballot Forms and electronic responses, the Scrutinizer will submit report to the Chairman/Managing Director of the Company. The results of the Postal Ballot will be declared on or before February 24, 2016. The said results along with the Scrutinizer's Report will be displayed on the website of the Company, i.e. www.forbes.co.in intimated to the BSE Limited where the securities of the Company are listed and on the website of National Securities Depository Limited viz. www.evoting.nsd.com.
11. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
12. The said Special Resolution will be deemed to have been passed on the date of declaration of results, if approved, by the requisite majority as provided under the relevant provisions of the Companies Act, 2013 and the Rules made there under.
13. **Instructions for voting:**
 - A. Voting through physical Ballot Form

- (i) A Member desiring to exercise vote by Physical Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the closed self-addressed prepaid postage Business Reply Envelope. Postage charges will be borne and paid by the Company. However, in case a Member sends the Postal Ballot by courier or registered post or delivers it in person at his expense, such Postal Ballots will also be accepted.
- (ii) The Postal Ballot Form, duly completed and signed by the Member(s) should be returned in the enclosed self-addressed prepaid postage Business Reply Envelope to the Company so as to reach the Company before 5.00 pm on February 17, 2016. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Member(s) has not been received. No other form or photo copy of the Postal Ballot Form will be permitted/ accepted.
- (iii) Unsigned, incomplete, tick marked at both "FOR" and "AGAINST", improperly or incorrectly tick marked Ballot Forms will be rejected. A Ballot Form will also be rejected if it is received in torn, defaced or mutilated condition.

B. Voting through electronic means:

In case a Member receives an e-mail of Postal Ballot Notice from NSDL (for Members whose e-mail addresses are registered with the Company/Depository Participant(s)):

- (i) Open email and the attached PDF file viz., "Forbes & Company.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
- (ii) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- (iii) Click on "Shareholder - Login".
- (iv) Put User ID and password as initial password noted in step B (i) above and Click Login.
- (v) The Password Change Menu will appear on your screen. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Kindly take note of your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- (vii) Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- (viii) Select E-voting Event Number ("EVEN") of 'Forbes & Company Limited.'
- (ix) Now you are ready for "e-Voting" as "Cast Vote" page opens.
- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to makarandjoshi@mmjc.in with a copy marked to evoting@nsdl.co.in.
- (xiii) In case a Member receives physical copy of the Postal Ballot Notice (for Members whose email addresses are not registered with the Company/Depositories Participant(s) or requesting physical copy):
 - (i) Initial password is provided in the enclosed Ballot Form.
 - (ii) Please follow all steps from Sr. No. B (ii) to Sr. No. B (xii) above, to cast vote.

C. Other Instructions:

- (i) The e-voting period commences on January 19, 2016 at 9.00 am and ends on February 17, 2016 at 5.00 pm (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, 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, he/she shall not be allowed to change it subsequently. (Note: e-Voting shall not be allowed beyond the said time.)
- (ii) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on January 8, 2016 as per the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e. NSDL and CDSL.
- (iii) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call toll free no: 1800 222 990 or contact Mr. Rajiv Ranjan, Asst. Manager, National Securities Depository Limited, Trade World, A Wing, 4th and 5th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 at the designated email ids: evoting@nsdl.co.in or rajivr@nsdl.co.in or at telephone no. +91 22 2499 4738 who will also address grievances connected with the voting by electronics means.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Company has two Container Freight Stations (CFSs), one at Mundra, in Gujarat (Mundra CFS) and another at Veshvi (Jawaharlal Nehru Port Trust) near Mumbai (Veshvi CFS). This business, once a lucrative option for Logistics, has now been impacted adversely by a severe proliferation of various new facilities. Over supply, depressed demand as well as frequent congestion at the major ports has caused container traffic to be diverted to various smaller ports in India. Poor agricultural exports, mainly of rice and cotton, have impacted the CFSs.

Logistics Business vertical faces lot of challenges primarily due to the continuous fluctuations in bunker prices and the resultant uncertainties arising out of it. Due to oversupply of vessels, the demand for slots has not risen due to which the base freight rates have dropped drastically. In Indian economy there has been a sharp decline of export by 20% to Asian countries resulting in low volume turn over in exports. The continuing recession in Europe, highly competitive pricing as well as a huge influx of un-organised players have created a continuous pressure on the margins.

Logistics Business, Mundra CFS and Veshvi CFS are collectively referred to as "Logistics and CFS Undertaking".

The Company Management and the Board has extensively reviewed some of its existing portfolio of businesses and has come to conclusion that both CFSs and Logistics businesses are not a strategic fit with the long term vision of Company and as such it is necessary and prudent to exit these businesses in a manner that optimises value.

Accordingly, the Board of Directors of the Company ("Board") in its meeting held on January 5, 2016, decided to exit CFS and Logistics Businesses. Under the current economic situation and industry outlook, the Board deemed a Slump Sale as the most appropriate method for exit and has accordingly granted its approval to the Company to sell, transfer or dispose of its two CFS and has approved slump sale of Veshvi CFS and Mundra CFS to TG Terminals Private Limited and slump sale of Logistics Business to Transworld Global Logistics Solutions (India) Private Limited (collectively "Purchasers"), which are part of Transworld Group Singapore, subject to execution of definitive documents, fulfilment of various conditions precedent, including but not limited to obtaining of various government and other approvals (Proposed Transaction).

Transworld Group Singapore is engaged in the businesses of Ship Owning, Common Feeder services, NVOCC, Liner Agency, International Freight Forwarding, Ship Management, Container Freight Stations, equipment management and operates in Indian sub-continent, South East Asia, and far east with headquarters in Singapore. Neither the Purchasers nor the Transworld Group are related to the Promoters of the Company.

The Company has signed definitive agreements for Mundra CFS & Veshvi CFS and the term sheet for Logistics Business and the definitive agreement for the Logistics Business is expected to be signed in February'2016. The Proposed Transaction may be completed in one or more stages and the entire transaction is expected to be completed in first quarter of FY 2016-17.

In accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013 (Act) any sale, lease or otherwise disposal of whole or substantially the whole of the undertaking of the Company requires the approval of members of the company accorded by way of a Special Resolution and as per the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules 2014, such a permission by way of Special Resolution needs to be accorded by way of Postal Ballot. An undertaking for the purpose of Section 180 (1) (a) of the Act mean an undertaking in which the investment of the Company exceeds 20 % of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. The aggregate turnover of the CFS & Logistics Undertaking was Rs.124.28 Crores in FY 2014-15 constituting 43% of revenues on standalone basis and 3% of revenues on consolidated basis.

The Members are hence requested to authorise sale, disposal or transfer of the Logistics and CFS Undertaking of the Company, for an Enterprise Value of not less than Rs. 93.50 Crores (Rupees Ninety Three Crores and Fifty Lacs Only) subject to closing adjustments and debt, if any, to be transferred and on such other terms and conditions and to such person or persons as the Board of Directors of the company in their absolute discretion, may deem fit in the best interest of the Company.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the aforesaid Special Resolution.

The Board recommends the Special Resolution set out in the Notice in the interests of the Company

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Date: January 5, 2016

By Order of the Board
For Forbes & Company Limited

Pankaj Khattar
Head Legal & Company Secretary