



NSDL e-GOVERNANCE INFRASTRUCTURE LIMITED

NEW AGE
e-GOVERNANCE
DIGITAL AND
SKILLED INITIATIVES



23rd
ANNUAL GENERAL
MEETING (AGM)
2017-18

NSDL e-Governance Infrastructure Limited

(CIN U72900MH1995PLC095642)

Regd. office: 1st Floor, Times Tower, Kamala Mills Compound,

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

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Email: cs@nsdl.co.in; Website: www.egov-nsdl.co.in

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of NSDL e-Governance Infrastructure Limited will be held on Friday, August 10, 2018 at 10.00 a.m at the Board Room, at the Registered Office of the Company, 1st Floor, Times Tower, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (both, standalone and consolidated) of the Company including Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Jayesh Sule (DIN07432517), who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. J. Ravichandran (DIN 00073736) who was appointed as Additional Director w.e.f. December 4, 2017 and who holds office till the date of this Annual General Meeting be and is hereby appointed as a Director of the Company (Non-Executive), liable to retire by rotation.”

“RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to complete all the formalities to give effect to the appointment.”

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

“RESOLVED THAT as per the recommendation of Nomination and Remuneration Committee and the Board pursuant to section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time and any other applicable provisions of the Act, Mr. Shailesh Haribhakti (DIN 00007347), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a term of five years w.e.f September 25, 2018 and whose office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to complete all the formalities to give effect to the appointment.”



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

“RESOLVED THAT as per the recommendation of Nomination and Remuneration Committee and the Board pursuant to section 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendment thereto/ re-enactment thereby 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. Jayesh Sule (DIN 07432517) as a Whole Time Director on the Board of the Company designated as ‘Whole Time Director & Chief Operating Officer’ (WTD & COO) for a period of three years w.e.f April 1, 2019 liable to retire by rotation.”

“RESOLVED FURTHER THAT Mr. Jayesh Sule, Whole Time Director on re-appointment as a director liable to retirement by rotation, shall continue to hold his office of Whole Time Director, and the re-appointment as such director shall not be deemed to constitute a break in his service.”

“RESOLVED FURTHER THAT approval of the members is also accorded to the payment of remuneration to WTD & COO as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of schedule V of Companies Act, 2013 or any amendment thereto/ re-enactment thereof in such manner as decided by the Board.”

“RESOLVED FURTHER THAT WTD & COO will also be entitled for any ex-gratia payment and other similar benefits granted to the employees of the Company as decided by the Board of Directors or Nomination and Remuneration Committee of the Board of Directors.”

“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) as may be necessary to give effect to the aforesaid resolution.”

“RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to complete all the formalities to give effect to the appointment.”

7. To consider and if thought fit to pass with or without modification following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013, including any statutory modification and/or any re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded for payment and distribution of a sum not exceeding one percent per annum of the net profits (after tax) of the Company, amongst the Directors of the Company (other than the Managing Director & Whole Time Director) in equal proportion and that such payment shall be made in respect of the profits of the Company for each year for a period of five years commencing from FY 2017-18.”

By Order of the Board of Directors
For NSDL e-Governance Infrastructure Limited

Sd/-
Maulesh Kantharia
Company Secretary

Registered Office:

1st Floor, Times Tower,
Kamala Mills Compound,
Senapati Bapat Marg, Mumbai - 400 013

Dated: **June 15, 2018**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A Proxy form is enclosed. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a certified true copy of the Board Resolution/ copy of Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
3. Members/Proxies/authorised representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
4. Ministry of Corporate Affairs ("MCA"), vide a Notification dated May 7, 2018 has notified Section 40 of the Companies (Amendment) Act, 2017 pursuant to which ratification of Statutory Auditors is no longer required hence, not considered in this Notice. M/s BSR & Associates, LLP [ICAI Registration Number 116231W/W-100024] Statutory Auditors of the Company continue to hold office until the conclusion of the Annual General Meeting of the Company to be held in the year 2021.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 4:**

Mr. J. Ravichandran (DIN 00073736) has been appointed w.e.f. December 4, 2017 as an Additional Director in terms of the provisions of Section 161 (1) of the Companies Act, 2013 read with Article 121 of the Articles of Association of the Company and holds office till the date of this Annual General Meeting. The Company has received a notice in writing along-with the requisite deposit from NSE Strategic Investment Corporation Limited, a member of the Company proposing his candidature for the office of Director under the provisions of Section 160 of the Companies Act, 2013.

The Board considers that having regard to his wide sphere of knowledge and experience, it will be in the best interest of the Company to appoint Mr. J. Ravichandran as Non-Executive Director on the Board of the Company who has given consent to act as director.

None of the Directors or Key Managerial Personnel of the Company except Mr. J. Ravichandran are concerned or interested in the resolution either personally or through their relatives.

ITEM NO 5:

The Company had appointed Mr. Shailesh Haribhakti (DIN 00007347) (w.e.f. September 25, 2014) in the category of Independent Director under the Companies Act, 2013. His tenure ends on September 24, 2018.

As per section 149(4), the Public Companies having paid up share capital of Rs. Ten crore or more shall have at least one-third of the total number of directors as Independent Directors who are not liable to retire by rotation and as per section 149(10) such Independent Directors shall hold office for a term upto five consecutive years on the Board of a company. As per section 152(2) of the Companies Act, 2013 every director of the Company shall be appointed by the Company at its general meeting. Mr. Shailesh Haribhakti, independent director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of

the Act and has given his consent to act as Director under section 149 of the Companies Act, 2013. Nomination and Remuneration Committee has recommended his appointment as Independent Director.

The Board has approved the recommendation of the Nomination and Remuneration Committee and recommended the same for approval of the Members. In the opinion of the Board, Mr. Haribhakti fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of the above mentioned person as Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of the above candidate shall be open for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day during normal business hours, excluding Saturday.

A brief profile of the Independent Director to be appointed is given below:

Mr. Shailesh Haribhakti is a Chartered Accountant, Cost Accountant, and a Certified Internal Auditor. He has over 30 years of experience as a Chartered Accountant. He lends his expertise to several professional and regulatory bodies including Institute of Chartered Accountants of India (ICAI), Indian Merchant's Chamber (IMC), Securities and Exchange Board of India (SEBI), Confederation of Indian Industry (CII), The Associated Chambers of Commerce and Industry (ASSOCHAM), International Accounting Standards Board (IASB), Institute of Internal Auditors (IIA), Bombay Management Association (BMA) and Financial Planning and Standards Board (FPSB - India) etc. Mr. Haribhakti serves as director on the Board of various reputed Indian companies.

Mr. Shailesh Haribhakti (being an appointee) is concerned or interested in the Resolution at Item No 5 of the accompanying Notice. None of the other Directors or Key Managerial Personnel of the Company are concerned or interested financial or otherwise in the resolution either personally or through their relatives.

ITEM NO 6:

The Nomination and Remuneration Committee has considered the proposal to re-appoint Mr. Jayesh Sule (DIN 07432517) as a Whole Time Director on the Board of NSDL e-Gov to be designated as 'Whole Time Director & Chief Operating Officer' (WTD&COO) and recommended to the Board for its approval the re-appointment of Mr. Jayesh Sule. Whole Time Director will be re-appointed as a director liable to retire by rotation and shall continue to hold his office of Whole Time Director, and the re-appointment as such director shall not be deemed to constitute a break in his service.

Mr. Jayesh Sule, aged 55 years is a Bachelor of Commerce and a Chartered Accountant. He has around 34 years of experience and has been associated with the Company since inception.

Before his appointment as Whole Time Director on the Board w.e.f April 1, 2016, he was acting as Chief Operating Officer of the company. His tenure expires on 31st March, 2019. Mr. Sule does not hold any shares in the Company. He does not have any relationship with other Directors and Key Managerial Personnel of the Company. Further, he does not hold any Directorships/Committee memberships in other Companies.

The Board has approved the re-appointment as per following Terms of Appointment as recommended by the Nomination and Remuneration Committee subject to the approval of Shareholders:

A. Tenure

Three years w.e.f April 1, 2019

**B. Remuneration****(I) Salary:**

- a) The WTD & COO shall be entitled to a salary of Rs.11,00,000 per month, inclusive of all allowances.
- b) Annual increments to be decided by the Nomination & Remuneration Committee, subject to a ceiling of Rs.1,00,000 per annum.
- c) Annual Performance Linked Incentive (PLI) as may be determined by the Nomination & Remuneration Committee subject to a maximum of 50% of annual salary.

(II) In addition to the above, the WTD & COO shall be entitled to the following:

- Unfurnished housing accommodation;
- Medical benefits equal to one month's salary every year for self, spouse and dependent children;
- Leave Travel Allowance equal to one month's salary every year for travel by the WTD & COO and his family;
- Personal Accident Insurance cover for the WTD & COO as for other staff;
- A Company car with driver;
- Telephone facility at the residence;
- Contribution to Provident Fund, Superannuation, Gratuity and Leave Encashment as per Staff Rules of NSDL e-Gov. For this purpose, his appointment as WTD & COO will be taken as continuation of service."

(III) The WTD & COO shall also be entitled to such other benefits as are made available by the company to members of the staff from time to time including ex-gratia & Employee Stock Options.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Jayesh Sule as WTD & COO, the Company has no profits or the profits of the Company are inadequate, the Company shall pay remuneration by way of salary, perquisites and allowances as specified above.

ITEM NO 7:

The Board at its 89th meeting held on June 14, 2013 had approved payment and distribution of a sum not exceeding one percent per annum of the net profits (after tax) of the Company to the Non-Executive Directors of the Company in equal proportion and that such payment shall be made in respect of the profits of the Company for each year for a period of five years commencing from FY 2012-13 subject to approval of shareholders. Further, the Shareholders at the Eighteenth Annual General Meeting held on September 6, 2013 had approved the aforesaid payment by passing a Special Resolution. The period of five years as approved by the Shareholders has elapsed in March 2017.

The profitability of the company has increased considerably during last five years. The Directors of the company have been providing vision and expert direction which enabled the company to attain such excellent performance. Further, the Company is now targeting various IT enabled e-governance projects in India / abroad; it is advisable to put in place an appropriate mechanism to compensate, attract and retain professionals on the Board.

The Articles of Association of the company allow payment of remuneration to directors inter-alia by way of commission on profits. Further, relevant provisions of Section 197 of the Companies Act, 2013 are reproduced as follows:

- (1) *The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits*

Provided further that, except with the approval of the company in general meeting, –

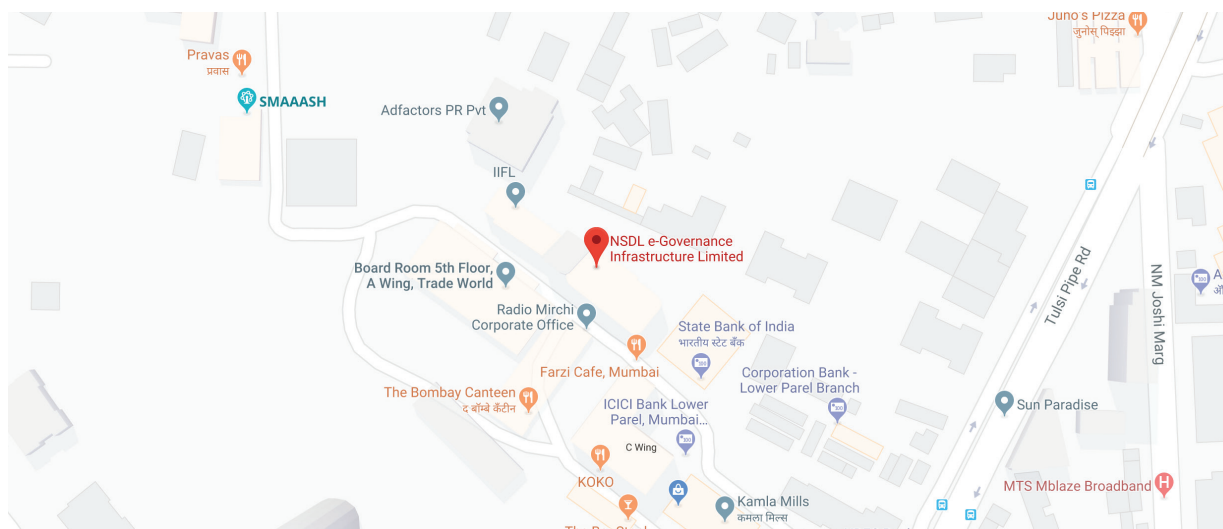
- (i) the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together;
- (ii) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed, –
 - (A) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager;
 - (B) three per cent. of the net profits in any other case.
- (2) The percentages aforesaid shall be exclusive of any fees payable to directors
- (4) The remuneration payable to the directors of a company, including any managing or whole-time director or manager, shall be determined, in accordance with and subject to the provisions of this section, either by the articles of the company, or by a resolution or, if the articles so require, by a special resolution, passed by the company in general meeting and the remuneration payable to a director determined aforesaid shall be inclusive of the remuneration payable to him for the services rendered by him in any other capacity:
- (7) Notwithstanding anything contained in any other provision of this Act but subject to the provisions of this section, an independent director shall not be entitled to any stock option and may receive remuneration by way of fees provided under sub-section (5), reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

In view of the time and attention which the Directors are called upon to give for the purpose of the Company's business, it is considered to pay and distribute a commission to the non-executive directors at the rate of 1% of the net profits (after tax) uniformly amongst the Non-Executive Directors of the Company (other than the Managing Director & Whole Time Director) in equal proportion as permitted under the Companies Act, 2013 from FY 2017-18 for a period of five years. The Nomination and Remuneration Committee and the Board have recommended the proposal for continuation of above to the shareholders for their approval.

The Resolution set out in Item no. 7 of the Notice has to be considered accordingly and the Board of Directors recommends its acceptance.

All other Directors except Mr. Gagan Rai, Managing Director & CEO and Mr. Jayesh Sule, WTD & COO are concerned or interested in the Resolution.

ROUTE MAP FOR THE VENUE OF THE MEETING





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REGISTERED OFFICE

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