



bajaj
Corp Ltd.

SEVENTH
ANNUAL
REPORT
2012-13

bajaj
Corp Ltd.

bajaj
ALMOND
DROPS
HAIR OIL

Bajaj Almond Drops Hair Oil
Nourished hair.
Stylish you.

300% MORE
VITAMIN E*



*300% more Vitamin E than ordinary coconut oil.

Notice to Shareholders

NOTICE is hereby given that the **Seventh Annual General Meeting** of the Members of Bajaj Corp Limited will be held on **Friday, the 2nd day of August, 2013 at 12 Noon** at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013, Statement of Profit and Loss for the year ended on that date and Reports of Directors and Auditors thereon for the said year.
2. To confirm the Interim Dividend of ₹ 6.50/- per equity share declared on 14,75,00,000 equity shares of face value ₹ 1/- each already paid for the financial year 2012-13.
3. To appoint a Director in place of Mr. Sumit Malhotra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Haigreve Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. R. S. Dani & Company (Firm Registration Number 000243C), Chartered Accountants, retiring Auditors as Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT in partial modification of Special Resolution passed by the Members of the Company through Postal Ballot on October 6, 2011 and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such approval(s), permission(s) and/or sanction(s) as may be necessary, the consent and approval of the members of the Company be and is hereby accorded to the revision in remuneration of Mr. Sumit Malhotra, Managing Director of the Company, with effect from April 1, 2013 for the remaining period of his term in office, on the terms and conditions as set out below:-

I. Remuneration:

- a) Basic Salary: In the range of ₹ 4,00,000/- per month to ₹10,00,000/- per month.
- b) Allowances and Perquisites:
 - i) House Rent Allowance: 50 % of Basic Salary.
 - ii) Other allowances:
The Managing Director shall be paid

other allowances as per the rules of the Company including but not limited to Special Allowance, Medical, Conveyance and Leave Travel provided however that the aggregate value of all such allowances paid shall not exceed 200% of the Basic Salary.

- iii) Contribution to Provident Fund: Company's contribution to Provident Fund equal to 12% of Basic Salary or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.
- iv) Gratuity payable at the time of retirement/cessation shall be as per the scheme of the Company.
- v) An amount not exceeding 15% of Basic Salary will be paid to the Managing Director annually in lieu of superannuation.
- vi) Leave: Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave is allowed at the end of the tenure.
Explanation:
Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.
- vii) Performance Linked Incentive to the achievement of targets as per the rules of the Company not exceeding 2 times of the total basic salary per annum.
- c) Amenities:
 - i) Vehicle: The Company shall provide suitable vehicle for use by the Managing Director as per rules of the Company.
 - ii) Communication facilities: The Managing Director is entitled for use of telephone, telefax and other communication facilities at his residence.

II. Overall remuneration:

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, during the period of 3 (Three) years from the date of revision in remuneration of Mr. Sumit Malhotra, Managing Director i.e. April 1, 2013, the Managing Director shall be paid the remuneration mentioned hereinabove as the Minimum Remuneration and shall be governed by the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 as may for the time being, be in force.

"RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of three years commencing from April 1, 2013, the Managing Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII thereto or any modification thereto and as may be agreed by and between the Board and Mr. Sumit Malhotra."

"RESOLVED FURTHER THAT save as expressly modified by this resolution, all other terms and conditions of appointment of Managing Director, Mr. Sumit Malhotra vide Special Resolution passed by the Members of the Company through Postal Ballot on October 6, 2011 remain unaltered and continue to apply."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT in partial modification of Special Resolution passed by the Members of the Company through Postal Ballot on October 6, 2011 and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such approval(s), permission(s) and/or sanction(s) as may be necessary, the consent and approval of the Members of the Company be and is hereby accorded to the revision in remuneration of Mr. Jimmy Rustom Anklesaria, Whole-time Director of the Company with effect from April 1, 2013 for the remaining period of his term in office, on the terms and conditions as set out below:-

I. Remuneration:

- a) Basic Salary: In the range of ₹ 5,00,000/- per month to ₹ 10,00,000/- per month
- b) Allowances and Perquisites:
 - i) House Rent Allowance: 50% of Basic Salary.
 - ii) Other allowances:
The Whole-time Director shall be paid

other allowances as per the rules of the Company including but not limited to Medical, Conveyance and Leave Travel provided however that the aggregate value of all such allowances paid shall not exceed 200% of the Basic Salary.

- iii) Contribution to Provident Fund: Company's contribution to Provident Fund equal to 12% of Basic Salary or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.
- iii) Gratuity payable at the time of retirement/cessation shall be as per the scheme of the Company.
- iv) An amount not exceeding 15% of Basic Salary will be paid to the Whole-time Director annually in lieu of superannuation.
- v) Leave: Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave is allowed at the end of the tenure.
Explanation:
Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.
- (vi) Performance Linked Incentive to the achievement of targets as per the rules of the Company not exceeding 2 times of the total basic salary per annum.
- c) Amenities:
 - i) Vehicle: The Company shall provide suitable vehicle for use by Whole-time Director as per rules of the Company.
 - ii) Communication facilities: The Whole-time Director is entitled for use of telephone, telefax and other communication facilities at his residence.

II. Overall remuneration:

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, during the period of 3 (Three) years from the date of revision in remuneration of Mr. Jimmy Rustom Anklesaria, Whole-time Director i.e. April 1, 2013, the Whole-time Director shall be paid the remuneration mentioned hereinabove as the Minimum Remuneration and shall be governed by the

provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 as may for the time being, be in force.

"RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of three years commencing from April 1, 2013, the Whole-time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Whole-time Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII thereto or any modification thereto and as may be agreed by and between the Board and Mr. Jimmy Rustom Anklesaria."

"RESOLVED FURTHER THAT save as expressly modified by this resolution, all other terms and conditions of appointment of Whole-time Director, Mr. Jimmy Rustom Anklesaria vide Special Resolution passed by the Members of the Company through Postal Ballot on October 6, 2011 remain unaltered and continue to apply."

8. 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 Section 61 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable rules, regulations, guidelines and other statutory provision for the time being in force, Memorandum and Articles of Association of the Company and subject to all other statutory and regulatory approval(s), consent(s), permission(s) and/or sanction(s) as may be required and subject to such terms, conditions and modifications as may be prescribed while any such approval, consent, permission and/or sanction is granted and/or accorded, consent and approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter called the 'Board' which term shall be deemed to include any committee authorised to exercise its powers including the powers conferred by this resolution), to vary the terms referred to in the Prospectus dated August 9, 2010, filed by the Company with the Registrar of the Companies, Maharashtra, Mumbai (the 'Prospectus') including to vary and / or revise the utilisation of the proceeds from the Initial Public Offering ('IPO') of Equity Shares made in pursuance of the said Prospectus for promotion of future products, acquisitions and other strategic initiatives and general corporate purposes and change in amount or schedule of deployment for the Objects of Issue identified in the Prospectus, as the case may be."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, deal with such matters, take necessary

steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any other officer(s) / authorised representative(s) of the Company to give effect to the aforesaid resolution."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time, the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 as amended from time to time (the "SEBI ICDR Regulations"), the notifications issued by the Reserve Bank of India ("RBI") and other applicable laws, listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, Memorandum of Association and Articles of Association and subject to all other statutory and regulatory approval(s), consent(s), permission(s) and/or sanction(s) of the Government of India, RBI, Securities and Exchange Board of India ("SEBI") and all other concerned authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company (the "Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorised to create, issue, offer and allot securities in one or more tranches, whether denominated in rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more domestic or foreign market(s), upto an amount not exceeding ₹ 1,000 crore (Rupees One thousand crore only) including Equity Shares and/or Other Financial Instruments ("OFIs"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), any other depository receipt mechanism, Preference Shares and/or convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument, Debentures all or any of the aforesaid with or without detachable or non-detachable warrants and/or warrants of

any nature and/or secured premium notes and/or floating rate notes/ bonds and/or other financial instruments with or without voting rights (hereinafter collectively referred to as the "Securities") with or without premium, in the course of domestic and/or international offerings through public issue(s) and or private placement(s) and/or Qualified Institutional Placements ("QIP") and/or Further Public Offering ("FPO") and/or any other permitted modes to be subscribed to in Indian and/or any foreign currency(ies) by resident or non-resident / foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/Foreign Institutional Investors ("FIIs") and their sub-accounts/Qualified Institutional Buyers ("QIB"), Mutual Funds, Pension Funds, Venture Capital Funds, Banks, Financial Institutions, Insurance Companies, National Investment Funds, Insurance Funds set up by the Army, Navy or Air Force, the Department of Posts of the Government of India and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through a prospectus, offer document and/or other letter or circular ("Offer Document") and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain oversubscription upto such percentage as may be permitted by the Appropriate Authorities."

"RESOLVED FURTHER THAT the Relevant Date for determining the pricing of the securities on Qualified Institutional Placement to QIBs as per the provisions of Chapter VIII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended from time to time, shall be:

- (i) In case of allotment of equity shares, the date of the meeting in which the Board of Directors of the Company decides to open the proposed issue;
- (ii) In case of allotment of eligible convertible securities, either the date of the meeting in which the Board of Directors of the Company decided to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares or such date, if any, as may be notified by SEBI or the RBI or any Appropriate Authority from time to time."

"RESOLVED FURTHER THAT the Relevant Date for determining the pricing of the securities, issue of equity shares underlying the Global Depository Receipts as per the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time, shall be the date thirty days prior to the date on which the meeting of the general body of shareholders is held, in terms of section 81(1A) of the Companies Act, 1956, to

consider the proposed issue.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to allot further shares upto 15 % (fifteen percent) of its issue size to the Stabilisation Agent by availing the Green Shoe Option subject to the provisions of relevant SEBI Regulations and enter into and execute all such agreements and arrangements with any Merchant Banker or Book Runner, as the case may be, involved or concerned in such offerings of Securities and to pay all such fee/ expenses as may be mutually agreed between the Company and the said Stabilisation Agent."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such agreements and arrangements with any Lead Manager(s), Co-Lead Manager(s), Manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee, Stabilisation Agent, Registrar, Banker/Escrow Banker to the Issue and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/ International Stock Exchanges."

"RESOLVED FURTHER THAT the Board and/or an agency or body authorised by the Board may issue Depository Receipt(s) or Certificate(s), representing the underlying securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International Capital Markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/ International practices and regulations and under the norms and practices prevalent in the Indian/ International Markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of further equity shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such further equity shares ranking *pari-passu* with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document."

"RESOLVED FURTHER THAT subject to the existing law and regulations, such Securities to be issued, that are not subscribed, may be disposed of by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/ foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors ("FIIs")/ Qualified Institutional Buyers ("QIBs")/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and/or Employees and Business Associates of the Company or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilisation of the issue proceeds and/ or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT to the extent permissible under Law, the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

By Order of the Board of Directors

Sujoy Sircar
Company Secretary

Place: Mumbai
Dated: May 3, 2013

Registered Office:

221, 2nd Floor, Building No. 2,
Solitaire Corporate Park,
167, Guru Hargovind Marg,
Chakala, Andheri (E),
Mumbai – 400093

NOTES:

1. **A member entitled to attend and vote at the ANNUAL GENERAL MEETING ("MEETING") is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, shall be deposited at the registered office of the Company not less than FORTY-EIGHT hours before the commencement of the Meeting.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. In terms of Article 129 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Sumit Malhotra and Mr. Haigreve Khaitan, Directors, retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors commends their respective re-appointments.
5. Brief resume of all Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships/ chairmanships for Board/Committees, shareholding and relationship between directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the annexure.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at the Meeting is annexed hereto.
7. Relevant documents referred in accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public Holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Seventh Annual General Meeting.
8. The Register of Members and Share Transfer Register Books of the Company shall remain closed from Saturday, July 27, 2013 to Friday, August 2, 2013 (both days inclusive) for the purpose of Seventh Annual General Meeting of the Company.
9. An Interim Dividend of 650% (₹ 6.50/- per share on equity shares of face value ₹ 1/- each) declared by the Board of Directors on January 11, 2013, was paid to the shareholders of the Company.
10. Members are requested to furnish their Bank Account details, change of address and all other required details to the Registrar & Share Transfer Agents, M/s. Karvy Computershare Private Limited in respect of shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their copies of PAN card to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents.
12. For convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by way of attendance slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, fill up and sign the same at the place provided and hand it over at the entrance of the venue.

13. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

By Post/ Courier/ Hand Delivery	M/s Karvy Computershare Pvt. Ltd. Unit : Bajaj Corp Limited Plot Nos. 17-24, Vittal Rao Nagar Madhapur, Hyderabad - 500 081 Tel. No.: 040 4465 5000/2342 0815 - 28 Fax No.: 040 2342 0814 Email: einward.ris@karvy.com
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14. Pursuant to the provisions of Section 205A to Section 205C of the Companies Act, 1956, all unclaimed/unpaid monies by way of dividend transferred to the "Unpaid Dividend Account" of the Company as contemplated under Section 205A of the Companies Act, 1956 that remains unclaimed/un - encashed for a period of 7 (seven) years from the respective date of such transfer has to be transferred by the Company to "The Investor Education and Protection Fund" being the fund established by the Central Government under Section 205C (1) and no claims shall lie against the said Fund or the Company in respect thereof.

The details of Dividends paid by the Company and the corresponding due dates for transfer of such unclaimed/unencashed dividend to the aforementioned Fund constituted by the Central Government are furnished hereunder:

Dividend for the year	Date of Declaration of Dividend	Due Date of transfer to the Investor Education and Protection Fund
2010-2011	Monday, August 8, 2011	Thursday, September 13, 2018
2011-2012	Tuesday, February 7, 2012	Sunday, April 14, 2019
2012-2013	Friday, January 11, 2013	Wednesday, March 18, 2020

Members who have not encashed/claimed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claims to the registered office of the Company or Karvy Computershare Pvt. Ltd. well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to the IEPF no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.

15. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Companies are now permitted to send various notices/documents such as Notice, Balance Sheet, Profit & Loss Account, Auditor's Report, Directors' Report and Explanatory Statement etc. to its shareholders through electronic mode to the registered e-mail Ids of its shareholders. The Company has taken up this initiative of the Ministry

assiduously and will send the electronic copies of the Annual Report 2012-2013 to all those shareholders at their registered email ids provided to us by the respective Depositories. The physical copies of the Annual Report will also be available at our Registered Office in Mumbai for inspection during office hours. Members are also requested to support this Green Initiative by registering/updating their email addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Company/Karvy Computershare Pvt. Ltd., Registrar and Share Transfer Agent of the Company (in case of Shares held in physical form). In case any Member(s) insist for physical copy of the aforementioned documents, the same shall be sent to the respective Member(s) by post, free of cost.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

In respect of Item No. 6

Mr. Sumit Malhotra, aged 52 years, holds a Bachelor of Pharmaceuticals and Masters in Business Administration degree. He is responsible for the Personal Care and Health Care Divisions of the Company and has close to 25 years of experience in the Fast Moving Consumer Goods (FMCG) sector. The shareholders of the Company through Postal Ballot held on October 6, 2011, appointed Mr. Sumit Malhotra as Managing Director of the Company with effect from August 8, 2011 for a period of 5 years and fixed his remuneration and terms and conditions of office.

In appreciation and recognition of his visionary leadership and phenomenal contribution to the Company, the Board of Directors (the "Board") based on approval and recommendation of the Remuneration Committee, at their Meeting held on May 3, 2013, proposed revision in the remuneration of Mr. Sumit Malhotra, Managing Director with effect from April 1, 2013, subject to approval of shareholders at their General Meeting and such other approvals as may be required, for the remaining period of his term in office. Other terms and conditions of his appointment have remained unchanged.

The terms of contract in the form of revision in remuneration payable to the Managing Director as stated in the resolution at item No. 6 along with Memorandum of Interest or Concern as stated hereunder may be treated as Abstract of Arrangement and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

The remuneration as stated in resolution at Item No. 6 has been proposed to be paid to the Managing Director as the Minimum Remuneration which, in the event of absence or inadequacy of profits of the Company in any financial year commencing April 1, 2013 and during the tenure of office of Mr. Sumit Malhotra as Managing Director of the Company, would be in excess of the maximum remuneration payable to him as Managing Director as specified in Schedule XIII to the Companies Act, 1956 and therefore will require approval of the Shareholders at General Meeting and also the Central Government in terms of Section 198(4) read with Schedule XIII of the Companies Act, 1956.

The additional information required to be furnished pursuant to the provisions of Schedule XIII to the Companies Act, 1956 is annexed herewith along with the Notice calling the 7th Annual General Meeting of the shareholders of the Company.

A copy each of the resolutions passed by the Remuneration Committee and the Board of Directors at their respective Meetings held on May 3, 2013 and the Special Resolution passed by the Members of the Company through Postal Ballot on October 6, 2011, as referred to above, are available for inspection by any Shareholder at the Registered Office of the Company between 11.00 am and 1.00 pm on all working days (except Saturdays, Sundays and Public Holidays) up-to and including the date of the 7th Annual General Meeting, viz., August 2, 2013.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 6 of the Notice.

Mr. Sumit Malhotra is interested and/or concerned in the resolution at Item No. 6 of the Notice. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No 7

Mr. Jimmy Rustom Anklesaria, aged about 58 years, holds a Bachelor of Commerce and Master in Business Administration degree. Mr. Anklesaria is responsible for pursuing opportunities of inorganic growth in the FMCG sector by identifying brands/product portfolio/companies in oral care and personal care segments along with a dedicated management team for evaluating various targets in terms of synergy with company's existing brands, growth potential, future profitability and commercial viability and a host of other factors. The shareholders of the Company through Postal Ballot held on October 6, 2011, appointed Mr. Jimmy Rustom Anklesaria as Whole-time Director designated Director-Business Development of the Company with effect from August 8, 2011 for a period of 5 years and fixed his remuneration and terms and conditions of office.

In appreciation of his leadership and guidance, the Board of Directors (the "Board"), based on approval and recommendation of the Remuneration Committee, at their Meeting held on May 3, 2013, proposed revision in the remuneration of Mr. Jimmy Anklesaria, Whole-time Director with effect from April 1, 2013, subject to approval of shareholders at their General Meeting and such other approvals as may be required, for the remaining period of his term in office.

The terms of contract in the form of revision in remuneration payable to the Whole-time Director as stated in the resolution at Item No.7 along with Memorandum of Interest or Concern as stated hereunder may be treated as Abstract of Arrangement and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

The remuneration as stated in resolution at Item No. 7 has been proposed to be paid to the Whole-time Director as the Minimum Remuneration which, in the event of absence or inadequacy of profits of the Company in any financial year commencing April 1, 2013 and during the tenure of office of Mr. Jimmy Rustom Anklesaria as Whole-time Director of the Company, would be in excess of the maximum remuneration payable to him as Whole-time Director as specified in Schedule XIII to the

Companies Act, 1956 and therefore will require approval of the Shareholders at General Meeting and also the Central Government in terms of Section 198(4) read with Schedule XIII of the Companies Act, 1956. The additional information required to be furnished pursuant to the provisions of Schedule XIII to the Companies Act, 1956 is annexed herewith along with the Notice calling the 7th Annual General Meeting of the shareholders of the Company.

A copy each of the resolutions passed by the Remuneration Committee and the Board of Directors at their respective Meetings held on May 3, 2013 and the Special Resolution passed by the Members of the Company through Postal Ballot on October 6, 2011, as referred to above, are available for inspection by any Shareholder at the Registered Office of the Company between 11.00 am and 1.00 pm on all working days (except Saturdays, Sundays and Public Holidays) up-to and including the date of the 7th Annual General Meeting, viz., August 2, 2013.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 7 of the Notice.

Mr. Jimmy Rustom Anklesaria is interested and/or concerned in the resolution at Item No. 7 of the Notice. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No 8

In the year 2010, the Company through an Initial Public Offering ("IPO") had raised ₹ 297 crore. The Net Issue proceeds ₹ 275.46 crore [Actual ₹ 278.04 crore] was proposed to be applied for the following objects set out in the Prospectus:

Sr. No.	Expenditure Items	Total Estimated Expenditure (₹in crore)
1.	Promote our future products	220.00
2.	Acquisitions and other strategic initiatives	50.00
3.	General Corporate Purposes	5.46
	Total	275.46

The actual issue expenses aggregated to approximately ₹ 18.96 crore [Budgeted in Prospectus ₹ 21 crore]. Out of the Net Issue Proceeds, the Company has spent ₹ 23.32 crore up till March 31, 2013 in accordance with the objects set out in the "Objects of the Issue" section in the Prospectus. As on March 31, 2013, the total unutilized amount out of net proceeds of the IPO is ₹ 254.72 crore. Pending such utilization, the net issue proceeds are currently invested in interest bearing liquid investments, bank deposits and other permitted financial products.

The FMCG sector, in which your Company operates, is impacted by various factors outside our control, including, among others:

- Adverse fluctuations in prices of key raw materials;
- Prevailing local economic, income and demographic conditions;
- Availability of and demand for products comparable to those we manufacture;
- Changes in customer tastes and preferences.

In addition to the above factors, the uncertainty surrounding the global financial markets, commodity inflation and high interest rates have dampened the demand for new products.

The management continues its efforts for development of new products in the personal care segment. Presently, the Company is conducting a comprehensive process of product formulation, product development and internal testing for its proposed product launches. In addition, final packaging and design, consumer testing and research and development are continuing to provide value additions to the proposed products. The Company has already launched Kailash Parbat Cooling Oil and the product has created a niche market for it.

The Company has also been actively pursuing opportunities of inorganic growth in the FMCG sector by identifying brands/product portfolio/companies in oral care and personal care segments. A dedicated management team is evaluating various targets in terms of synergy with company's existing brands, growth potential, future profitability and commercial viability and a host of other factors. The Company had submitted Non-Binding bids for businesses in the personal care segment; however due to certain factors including higher valuations, these bids have not materialized. The Company continues its efforts towards identifying suitable opportunities, both domestically and abroad.

The Company operates in a competitive and dynamic market and may have to revise its plans for development of its business by undertaking promoting its future products, including any industry consolidation initiatives, such as potential acquisition opportunities and other strategic initiatives. Any such change in Company's plans may require rescheduling of its expenditure programs, increase or decrease the amount to be allocated for promotion of future products, acquisitions and other strategic initiatives and general corporate purposes depending upon the market and other conditions as may be deemed conducive for the business of the Company. Consequently, the manner in which the available resources including the Net Issue Proceeds may require suitable modifications.

It was therefore considered appropriate to provide the Management with flexibility to vary the time schedule and/or amount of deployment for the Objects of Issue identified in the Prospectus, as the case may be.

Pursuant to the provisions of section 61 of the Companies Act, 1956, the terms of a contract referred to in the prospectus cannot be varied except subject to the approval of or except on authority given by the Company in general meeting. Accordingly, approval of the Members is sought to confer authority in favour of the Board for varying and/or modifying the schedule and/or amount of deployment of net IPO proceeds for Objects of Issue as stated in the Prospectus. Requisite approvals in this regard are proposed to be sought to the ordinary resolution as more particularly stated in the resolution as set out in Item No 8 of the accompanying notice.

The Board of Directors accordingly recommends passing of the resolution as ordinary resolution set out at item No. 8 of the accompanying notice for the approval of the members.

The Directors of the Company may be considered to be concerned and/or interested in the aforesaid resolution to the extent of equity shares held, if any, by them.

Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No 9

The shareholders of the Company, at the 6th Annual General Meeting held on August 1, 2012, had authorized the Board of Directors to create, offer, issue and allot securities of the Company including Global Depository Receipts, American Depository Receipts, convertible preference shares etc. through Qualified Institutions Placements ("QIP") and/or further public offering or through any other mode as permitted by the Securities and Exchanges Board of India (Issue of Capital and Disclosure Requirements), Regulations 2009, ("SEBI ICDR Regulations") or any other Act/Regulations whichever is applicable.

As per Regulation 88 of Chapter VIII of the SEBI ICDR Regulations, allotment pursuant to the special resolution approving the QIP shall be completed within a period of 12 months from the date of passing of the resolution. As stated aforesaid, the special resolution in this regard was passed by the shareholders on August 1, 2012 up to an amount not exceeding ₹ 1,000 crore, which for the purpose of raising funds through the QIP route is valid for a period of one year from the date of passing of the special resolution by the Shareholders. To enable the Company raise equity funds depending upon its business needs and as may be advised, approval of shareholders is being sought for issue of equity shares and/or other financial instruments convertible into equity through QIP under SEBI ICDR Regulations and/or issuance of securities in the international markets by way of ADR/GDR etc as per the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time, in one or more tranches, up-to an amount not exceeding ₹1,000 crore.

Pursuant to the provisions of Regulation 85 of Chapter VIII of the SEBI ICDR Regulations, 2009, issue of specified securities shall be made at a price not less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. The relevant date for the purpose of Regulation 85 means:

- (i) in case of allotment of equity shares, the date of the meeting in which the Board of Directors of the issuer or the Committee of Directors duly authorised by the Board of Directors of the issuer decides to open the proposed issue;
- (ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board of Directors of the issuer or the Committee of Directors duly authorised by the Board of Directors of the issuer decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares