



Godrej Industries Limited

Regd. Office: Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079.
Tel. : (022) - 2519 4392 / 2519 4367 / 2518 8010 Fax: 2518 8066 Website : www.godrejinds.com

May 3, 2013

To: The Members of the Company

ABSTRACT AND MEMORANDUM UNDER SECTION 302 OF THE COMPANIES ACT, 1956

The Board of Directors of the Company had, at their meeting held on February 6, 2013, proposed appointment of Mr. Nitin S. Nabar as a Whole-time Director of the Company, designated as Executive Director & President (Chemicals) for the period May 1, 2013 to March 31, 2016.

The remuneration and other terms of appointment of Mr. Nitin S. Nabar have been approved by the Board at its meeting held on February 6, 2013, based on the recommendation made by the Compensation Committee, pursuant to the provisions of Sections 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof), and subject to the approval of shareholders of the Company and such other approvals as may be necessary.

Brief Profile of Mr. Nitin S. Nabar

Mr. Nitin S. Nabar began his career in Godrej as an Executive Trainee in 1989 at the erstwhile Godrej Soaps Limited. Before becoming the Business Head, he has shown his leadership qualities in the areas of Sales, Marketing, Commodities, Exports, Imports and Purchase. Mr. Nabar has been instrumental in implementing various initiatives which has helped the Chemicals Business grow. He is B. Sc (Tech) from the University of Mumbai, Department of Chemical Technology (UDCT; now ICT) and a Management Graduate from Welingkar Institute of Management Development and Research, Mumbai. Mr. Nabar is currently the Chairman, cosmetics panel (General Category) of Chemexcil (an export promotion council for the chemicals industry).

In compliance with the requirements of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment and remuneration payable to Mr. Nitin S. Nabar (hereinafter referred to as "Whole-time Director") is set out below:

Terms of Appointment

1. **Period of appointment:** May 1, 2013 to March 31, 2016

2. **Remuneration**

(i) **Fixed Compensation:**

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund. The Basic Salary shall be in the range of Rs.31 lac per annum to Rs.52 lac per annum.

The Annual Basic Salary and increments will be decided by the Compensation Committee/Board of Directors depending on the performance of the Whole-time Director, the profitability of the Company and other relevant factors.

(ii) **Performance Linked Variable Remuneration (PLVR):**

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Compensation Committee/Board of Directors of the Company based on Economic Value Added (EVA) in the business and other relevant factors and having regard to the performance of the Whole-time Director for each year.

(iii) **Flexible Compensation:**

In addition to the Fixed Compensation and PLVR, the Whole-time Director shall be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the Rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to the Whole-time Director in the manner as the Board may decide as per the Rules of the Company.

- Housing (i.e. unfurnished residential accommodation OR House Rent Allowance at 85% of Basic Salary);
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of food vouchers, fuel reimbursement;
- Company cars with drivers for official use, provision of telephone(s) at residence; payment/reimbursement of expenses thereof;
- Housing Loan and contingency loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company for the aggregate of the allowances listed above for the Whole-time Director shall be Rs.12 lac per annum plus cars (including drivers salary, fuel, maintenance and other incidental expenses) plus housing (i.e. unfurnished residential accommodation cost of which shall be at actuals OR House Rent Allowance at 85% of the basic monthly salary. In addition to the above, the Whole-time Director shall be eligible to encashment of leave, club facilities, group insurance cover, group hospitalization cover, and/or any other allowances, perquisites and facilities as per the Rules of the Company.

Explanation:

- a) For the Leave Travel Assistance and reimbursement of medical and hospitalization expenses, 'family' means spouse, dependent children and dependent parents.
- b) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

(iv) **Overall Remuneration:**

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Whole-time Director from time to time, 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, unless approved by the Central Government.

(v) **Minimum Remuneration:**

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

(vi) **Loans:**

- (a) Granting of loans according to Company's Scheme subject to Central Government's approval, if applicable.
- (b) Continuation of Loans, if already availed.

Notes:

- I. Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- II. Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule XIII to the Companies Act, 1956, except with the approval of the Central Government.

- III. The limits specified above are the maximum limits and the Compensation Committee / Board may in its absolute discretion pay to the Whole-time Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- IV. In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.
- V. If at any time the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Whole-time Director of the Company.
- VI. The Whole-time Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time the whole-time Director is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

Memorandum of concern or interest

None of the Directors of the Company, except Mr. Nitin S. Nabar himself, is in any way concerned or interested in the aforesaid appointment.

Inspection

A copy of the resolution passed by the Board of directors at its meeting held on February 6, 2013 in respect of the appointment of Mr. Nitin S. Nabar is available for inspection at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday.

By Order of the Board of Directors
for Godrej Industries Limited

K.R. Rajput
Company Secretary



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The Board of Directors of the Company had, at their meeting held on February 6, 2013, proposed appointment of Mr. Nitin S. Nabar as a Whole-time Director of the Company, designated as Executive Director & President (Chemicals) for the period May 1, 2013 to March 31, 2016.

The remuneration and other terms of appointment of Mr. Nitin S. Nabar have been approved by the Board at its meeting held on February 6, 2013, based on the recommendation made by the Compensation Committee, pursuant to the provisions of Sections 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof), and subject to the approval of shareholders of the Company and such other approvals as may be necessary.

Brief Profile of Mr. Nitin S. Nabar

Mr. Nitin S. Nabar began his career in Godrej as an Executive Trainee in 1989 at the erstwhile Godrej Soaps Limited. Before becoming the Business Head, he has shown his leadership qualities in the areas of Sales, Marketing, Commodities, Exports, Imports and Purchase. Mr. Nabar has been instrumental in implementing various initiatives which has helped the Chemicals Business grow. He is B. Sc (Tech) from the University of Mumbai, Department of Chemical Technology (UDCT; now ICT) and a Management Graduate from Welingkar Institute of Management Development and Research, Mumbai. Mr. Nabar is currently the Chairman, cosmetics panel (General Category) of Chemexcil (an export promotion council for the chemicals industry).

In compliance with the requirements of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment and remuneration payable to Mr. Nitin S. Nabar (hereinafter referred to as "Whole-time Director") is set out below:

Terms of Appointment

1. **Period of appointment:** May 1, 2013 to March 31, 2016

2. **Remuneration**

(i) **Fixed Compensation:**

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund. The Basic Salary shall be in the range of Rs.31 lac per annum to Rs.52 lac per annum.

The Annual Basic Salary and increments will be decided by the Compensation Committee/Board of Directors depending on the performance of the Whole-time Director, the profitability of the Company and other relevant factors.

(ii) **Performance Linked Variable Remuneration (PLVR):**

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Compensation Committee/Board of Directors of the Company based on Economic Value Added (EVA) in the business and other relevant factors and having regard to the performance of the Whole-time Director for each year.

(iii) **Flexible Compensation:**

In addition to the Fixed Compensation and PLVR, the Whole-time Director shall be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the Rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to the Whole-time Director in the manner as the Board may decide as per the Rules of the Company.

- Housing (i.e. unfurnished residential accommodation OR House Rent Allowance at 85% of Basic Salary);
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of food vouchers, fuel reimbursement;
- Company cars with drivers for official use, provision of telephone(s) at residence; payment/reimbursement of expenses thereof;
- Housing Loan and contingency loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company for the aggregate of the allowances listed above for the Whole-time Director shall be Rs.12 lac per annum plus cars (including drivers salary, fuel, maintenance and other incidental expenses) plus housing (i.e. unfurnished residential accommodation cost of which shall be at actuals OR House Rent Allowance at 85% of the basic monthly salary. In addition to the above, the Whole-time Director shall be eligible to encashment of leave, club facilities, group insurance cover, group hospitalization cover, and/or any other allowances, perquisites and facilities as per the Rules of the Company.

Explanation:

- a) For the Leave Travel Assistance and reimbursement of medical and hospitalization expenses, 'family' means spouse, dependent children and dependent parents.
- b) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

(iv) **Overall Remuneration:**

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Whole-time Director from time to time, 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, unless approved by the Central Government.

(v) **Minimum Remuneration:**

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

(vi) **Loans:**

- (a) Granting of loans according to Company's Scheme subject to Central Government's approval, if applicable.
- (b) Continuation of Loans, if already availed.

Notes:

- I. Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- II. Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule XIII to the Companies Act, 1956, except with the approval of the Central Government.



- III. The limits specified above are the maximum limits and the Compensation Committee / Board may in its absolute discretion pay to the Whole-time Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- IV. In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.
- V. If at any time the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Whole-time Director of the Company.
- VI. The Whole-time Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time the whole-time Director is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

Memorandum of concern or interest

None of the Directors of the Company, except Mr. Nitin S. Nabar himself, is in any way concerned or interested in the aforesaid appointment.

Inspection

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By Order of the Board of Directors
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By Order of the Board of Directors
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