

NOTICE



GODFREY PHILLIPS
—INDIA LIMITED—

NOTICE is hereby given that the **Seventy-Sixth Annual General Meeting** of Godfrey Phillips India Limited will be held at **Y.B. Chavan Auditorium, General Jagannath Bhosle Marg (Next to Sachivalaya Gymkhana), Mumbai - 400 021** on **Thursday, the 19th September, 2013** at **03:30 P.M.** to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2013.
3. To appoint a director in place of Mr. O. P. Vaish who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. R. Ramamurthy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. R. A. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 015125N) as the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration, in place of M/s. A. F. Ferguson & Co., Chartered Accounts, (Firm Registration No. 112066W) who retire at the ensuing Annual General Meeting but have expressed that they would not like to offer themselves for re-appointment.

Special Business:

To consider and if thought fit, to pass the following Resolutions with or without modification:

7) As an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, including any statutory modifications, or re-enactment thereof for the time being in force, read with Schedule XIII thereto, the Company hereby approves the terms of appointment of Mr. Samir Kumar Modi, as an Executive Director of the Company for a period of three years with effect from 1st September, 2013, upon the principal terms and conditions as set out in the Explanatory Statement annexed to this Notice and also in the draft letter of appointment proposed to be issued by the Company to Mr. Samir Kumar Modi, a copy whereof duly initialed by the Chairman for the purposes of identification, is placed before the meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter or modify the terms and conditions of the said appointment including remuneration, so long as it does not exceed the limits specified under schedule XIII of the Companies Act, 1956 and also to do such acts, deeds, matters and things as may be considered or desirable to give effect to this resolution."

8) As a Special Resolution

"RESOLVED THAT pursuant to the provisions of the Article of Association of the Company and Section 309(4) (b) & other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications, or re-enactment thereof for the time being in force and subject to such permissions, sanctions and approvals, if any required, the approval of the members be and is hereby accorded for payment of such sum to its non-executive director, Mr. Lalit Kumar Modi, by way of commission, not exceeding one percent (1%) per annum of the net profits of the Company computed in the manner laid down in Sections 198, 349 and 350 of the Companies Act, 1956 subject to a ceiling of Rs. 200 lacs per annum, for a period of three years w.e.f. 1st August, 2013.



RESOLVED FURTHER THAT Mr. Lalit Kumar Modi shall be entitled to reimbursement of entertainment, travelling and other expenses incurred for the business of the Company as per rules of the Company.

RESOLVED FURTHER THAT the Directors and the Company Secretary be and are hereby severally authorised to do such acts, deeds, matters and things as may be considered necessary or expedient to give effect to this resolution."

9) As a Special Resolution

"RESOLVED THAT pursuant to section 258, 259 and all other applicable provisions of the Companies Act, 1956, including any statutory modifications, or re-enactment thereof for the time being in force and subject to the approval of the Central Government, if any required, the consent of the members be and is hereby given for increasing the maximum number of Directors of the Company from ten to fifteen and for substituting the existing Article 102(a) of the Articles of Association of the Company by the following Article :

Article 102(a)

Until otherwise determined by a General Meeting and subject to section 252, 258 and 259 of the Companies Act, 1956, the number of Directors shall not be less than three nor more than fifteen excluding any Debenture Directors.

RESOLVED FURTHER THAT the Directors and the Company Secretary be and are hereby severally authorised to do and perform all such acts, deeds, matters and things and to take such steps as may be necessary or desirable to give effect to this resolution."

**By order of the Board
for Godfrey Phillips India Limited**

New Delhi : July 27, 2013
REGISTERED OFFICE :
Chakala, Andheri (E), Mumbai – 400 099

Sanjay Gupta
Company Secretary

Notes:

1. The Register of Members and Share Transfer Register of the Company shall remain closed from 7th September, 2013 to 19th September, 2013 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2013.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy should, however, be deposited at Registered office/ Corporate office of the Company not less than 48 hours before the commencement of the meeting.
3. The Dividend when declared, will be paid from 24th September, 2013 to those members of the Company whose names appear on the Register of Members on 19th September, 2013 after giving effect to all the valid transfers in physical form lodged on or before the close of business hours on 6th September, 2013. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on 6th September, 2013 as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
4. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.



5. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, address, email ID, name, etc. to their depository participants only and not to the Company or its Registrars and Transfer Agent. The said intimation will be automatically reflected in the Company's records.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 all dividends for the financial year ended upto 31st March, 1994, which remained unpaid or unclaimed, have been transferred to the General Revenue Account of the Central Government. Further, the members may please also note that pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 as amended, all amounts of unpaid or unclaimed dividends for the financial years 1994-95 to 2004-05 have already been transferred by the Company to the credit of Investor Education & Protection Fund established by the Central Government. Unclaimed dividend for the financial year ended 31st March, 2006 would become due for transfer sometimes in the month of October, 2013 and for the financial year ended 31st March, 2007 in the month of October, 2014.

Members are requested to write to the Registrar and Transfer Agent of the Company to obtain payment of any dividend which might be lying unpaid in their account with the Company before those are transferred to the Investor Education & Protection Fund referred to as above. It may please also be noted that the members would not be entitled to claim any amount of unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government, in terms of the provisions of Section 205B of the Companies Act, 1956.

7. Members may please note that the Registrar & Transfer Agent (RTA) of the Company, M/s. SHAREPRO SERVICES (INDIA) PVT. LTD. operate from their office at 13 AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072 and members are requested to contact RTA for any investor related services in respect of the Company at this address or at their Investors' Relation Centre located at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400021. Their telephone and fax Nos. and E-mail address are as under :

Main Office at Andheri (E), Mumbai

Investors' Relation Centre at Nariman Point,
Mumbai

Tel. No : 022-67720300, 67720400

Tel. No : 022-66134700

Fax No : 022-28591568

E-mail : sharepro@shareproservices.com

E-mail : sharepro@shareproservices.com

8. The Statement of Profit and Loss for the financial year ended 31st March, 2013, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached to the Balance Sheet, are available for inspection by the Members at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on working days upto this AGM. Members may also visit the Company's corporate website www.godfreyphillips.com for viewing various financial informations including the quarterly results and Annual Reports of the Company.

As a part of its 'Green initiative' in the Corporate Governance and pursuant to the circulars issued by the Ministry of Corporate Affairs allowing paperless compliance through electronic mode, soft copy of the Annual Report shall be sent to all those members whose e-mail addresses are registered with the Company/Depository Participant(s), unless any member has requested for a hard copy of the same.

9. SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has instructed all Companies for usage of electronic payment modes for making cash payments to the investors. Companies whose securities are listed on Stock Exchanges are directed to use, either directly or through their RTI & STA, any Reserve Bank of India approved electronic mode of payment such as ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT etc. Thus, an ECS mandate seeking necessary information has already been sent on 11th July, 2013, to those shareholders who have not yet registered their Bank particulars with the Company.



Members, who have not yet responded to the above intimation, are once again requested to kindly provide their requisite bank account particulars latest by 06th September, 2013, by quoting their reference folio number(s) if shares are held in physical form.

If shares are held in dematerialised form, Members may kindly provide the requisite bank account details to their Depository Participants, to ensure that dividend payments are correctly credited to the respective accounts.

10. Brief Resume of the directors proposed to be re-appointed containing details such as nature of their expertise in specific functional areas, names of the Companies in which they hold directorships of the Board and membership/chairmanship of the Committee(s) of the Board, shareholding and relationship between directors inter-se, if any, as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Report of Corporate Governance forming part of the Annual Report.
11. Securities and Exchange Board of India (SEBI) has directed that it shall be mandatory to furnish copy of PAN card to the Company/RTA for registration of transfer/transmission/transposition of shares of the Company in relation to Securities Market Transaction and off market/private market transaction in physical form. Hence, all prospective shareholders acquiring shares in physical form are requested to provide a copy of the PAN card along with their request for registration of transfer /transmission/transposition of shares sent by them.
12. **Change of Registered Office Address:** The Board of Directors at their meeting held on 27th July, 2013, has approved the shifting of registered office of the Company i.e. from its present location at 'Chakala, Andheri (East), Mumbai, Maharashtra – 400099' to new location at 'Macropolo Building', Ground Floor, next to Kala Chowky Post Office, Dr. Babasaheb Ambedkar Road, Kala Chowky, Lalbaug, Mumbai - 400 033' for administrative convenience and operational reasons. All the statutory records currently lying at Chakala, Andheri, will be shifted to this new office shortly.

The shareholders are requested to note the new address of the registered office of Company as detailed hereunder:

Godfrey Phillips India Limited
Registered Office: __
'Macropolo Building', Ground Floor,
next to Kala Chowky Post Office,
Dr. Babasaheb Ambedkar Road,
Kala Chowky, Lalbaug, Mumbai - 400 033
Telephone No.:- 022- 61952300
Fax No. :- 022 – 61952319

Members are requested to bring their copy of Annual Report along with them at the Annual General Meeting. No copies of the report will be distributed at the meeting.



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

Item No. : 7

The shareholders of the Company at their Annual General Meeting held on 9th September, 2010, had re-appointed Mr. Samir Kumar Modi as an Executive Director of the Company for a period of three years w.e.f. 1st September, 2010. His present tenure expires on 31st August, 2013.

While considering his re-appointment for a further period, the Board of Directors has reviewed the remuneration payable to Mr. Samir Kumar Modi and decided to increase the same suitably so as to bring it in line with the remuneration of Executive Directors in other comparable organizations and also considering the general increase in cost of living. Subject to the approval of shareholders, the Board has re-appointed Mr. Samir Kumar Modi as an Executive Director for a further period of three years with effect from 1st September, 2013 on an increased remuneration.

The terms of appointment and remuneration payable to Mr. Samir Kumar Modi will be governed in accordance with the approval granted by the shareholders in the Annual General Meeting. However, the Board of Directors shall be authorised to make necessary variations, amendments or revisions in the salary, commission, perquisites and benefits etc., within the ceiling of total remuneration approved by the shareholders.

Copy of the draft letter of appointment to be issued to Mr. Samir Kumar Modi is open for inspection by any member of the Company at the Registered Office of the Company during the business hours on any working day.

None of the directors except Mr. K.K. Modi, Mr. Lalit Kumar Modi and Mr. Samir Kumar Modi are deemed to be concerned or interested in the proposed resolution. Mr. Samir Kumar Modi is son of Mr. K. K. Modi and brother of Mr. Lalit Kumar Modi.

The Board recommends the resolution as set out at item 7 of the Notice for your approval.

Brief Resume of Mr. Samir Kumar Modi is as follows:

Mr. Samir Kumar Modi did his B.A. from Delhi University. He worked as management trainee with Philip Morris Inc. for almost two years and acquired considerable experience in marketing, promotion and distribution of various cigarette brands including Malboro. He has been associated with the Company as Whole-time/Executive Director since January, 1994. He has been instrumental in promoting various businesses in the field of multi-level marketing, cosmetics, retail chain, etc. He is also actively associated with a NGO working towards prevention of spread of HIV and AIDS.

Principal terms and conditions of his appointment are as follows:

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| Duties and Powers | : | Mr. Samir Kumar Modi will carry out such duties and exercise such powers as may be entrusted to him by the Managing Director and/or Board of Directors of the Company from time to time. |
| Remuneration | : | Mr. Samir Kumar Modi will be entitled to the following emoluments, benefits and perquisites subject to the ceiling limits laid down in Sections 198, 309 of the Companies Act, 1956 and Schedule XIII thereto : |
| a. Salary | : | Rs. 6 lac per month. |
| b. Commission | : | Commission @ 1% of the net profits of the Company computed in the manner laid down under Sections 349 and 350 of the Companies Act, 1956 subject to a ceiling of Rs. 72 lacs per annum. |



- c. Perquisites : He shall be entitled to the following perquisites/benefits:
- I. Rent free, furnished accommodation owned/leased by the Company or house rent allowance in lieu thereof as per rules of the Company.
 - II. Re-imbusement of expenses on actuals pertaining to gas, electricity, water and other expenses for upkeep, maintenance and security of residential accommodation.
 - III. Two personal attendants.
 - IV. Contribution to Provident Fund and Superannuation Fund up to such limits as may be prescribed under the Income-tax Act and the Rules made thereunder for this purpose.
 - V. Medical Expenses : Re-imbusement of all expenses including mediclaim insurance premium incurred for self and members of his family, at actuals.
 - VI. Club Fees : Fees of club subject to a maximum of two clubs.
 - VII. Leave Travel Concession : For self and family in accordance with rules of the Company.
 - VIII. Gratuity at the time of retirement / cessation of service as per rules of the Company.
 - IX. Leave and encashment of unavailed leave, as per rules of the Company.
 - X. Company maintained chauffeur driven car for use on Company's business and personal purposes.
 - XI. Fees for credit cards.
 - XII. Personal Accident Insurance Premium as per rules of the Company.
 - XIII. Telecommunication facility at residence including mobile phone, internet facility and any other means of communication facility.
 - XIV. Re-imbusement of entertainment, travelling and other expenses incurred for the business of the Company as per rules of the Company.
 - XV. Re-imbusement of expenses incurred in connection with transfer as per rules of the Company.

Provided, however, that the salary, commission and monetary value of perquisites shall not exceed overall ceiling of Rs. 200 lacs per annum. For the purposes of this ceiling, perquisites shall be valued as per provisions of Income-tax Act/Rules, wherever applicable, and in absence of any such provision, perquisites shall be valued at actual cost. Retiral benefits like Contribution to provident fund, gratuity fund and superannuation fund and encashment of unavailed leave at the end of tenure will not be included for the purpose of aforesaid ceiling.

Within the above limits, the Board is authorised to vary, alter or modify the different components of the above stated remuneration, as may be agreed to by the Board and Mr. Samir Kumar Modi.

Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency



of the tenure of Mr. Samir Kumar Modi, the Company has no profits or its profits are inadequate, his remuneration will be governed by the ceiling provided in Section II of Part II of Schedule XIII for minimum remuneration unless permission from the Central Government is obtained for paying more.

During the tenure of his appointment, he will not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or any committee thereof.

The appointment as aforesaid may be terminated by either party giving to the other three months' notice in writing.

The above should also be treated as the abstract of the terms of the appointment of Mr. Samir Kumar Modi as an Executive Director and the Memorandum of Interest of the Directors in the said appointment as contemplated by Section 302 of the Companies Act, 1956.

Item No. : 8

Mr. Lalit Kumar Modi has been a prominent member of the Board serving the Company over last two decades. Presently, he is a Non-Executive Director in the Company. In recognition of his strong entrepreneurial skills and valuable strategic advice and assistance provided by him in supporting various business initiatives of the Company, the Board accorded its approval to remunerate him by way of commission under Section 309(4) (b) of the Companies Act, 1956.

The approval of members is sought for payment of commission to Mr. Lalit Kumar Modi upto one percent (1%) per annum of the net profits of the Company computed in the manner laid down in Sections 198, 349 and 350 of the Companies Act, 1956, subject to a ceiling of Rs. 200 lacs in a year, for a period of three years w.e.f. 1st August, 2013.

In addition, the Company shall reimburse to him the entertainment, travelling and other expenses incurred for business of the Company as per rules of the Company.

None of the directors except Mr. K.K. Modi, Mr. Samir Kumar Modi and Mr. Lalit Kumar Modi are deemed to be concerned or interested in the proposed resolution. Mr. Lalit Kumar Modi is son of Mr. K. K. Modi and brother of Mr. Samir Kumar Modi.

The Board recommends the resolution as set out at item 8 of the Notice for your approval.

Item No. : 9

During the last several years, your Company has strengthened its presence across various geographies and business segments, domestically as well as internationally. In wake of the growing business needs, it is felt necessary that the Company's Board be broad-based and enlarged to further improve its effectiveness and also to maximize shareholders' value. It is, therefore, proposed to increase the maximum permitted strength of the Board by amending the Articles to provide for increased maximum number of directors on Board to 15 from 10 at present. This will enable the company to derive benefits out of the expanded board consisting of directors with appropriate qualification, skills, experience and/or background in diverse or related fields, in times to come.

None of the Director of your Company is concerned or interested in this resolution.

The Board recommends the resolution as set out at item 9 of the Notice for your approval.

