



NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Members of Natures Basket Limited will be held on Monday, 9th May, 2016 at 10.00 a.m. at the Registered Office of the Company, Godrej One, 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai – 400 079, to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31 2016, Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Boards' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Tanya Dubash (DIN 00026028) who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of Auditors and fix their remuneration 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants (Registration No.104607W) be and is hereby ratified, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the Ninth Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment by the members at the Annual General Meeting), at such remuneration plus service tax, out-of-pocket and travelling expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. **Appointment and Remuneration payable to Ms. Avani Vishal Davda as the Managing Director of the Company, in conformity with the Companies Act, 2013.**

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

"RESOLVED THAT pursuant to Sections 196, 197 & 203, read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable rules framed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and approval of Central Govt., consent of the members of the Company is accorded for appointment of Ms. Avani Vishal Davda as Managing Director of the Company and for the remuneration payable to, including increase in remuneration and/or waiver of refund of excess remuneration and/or the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of appointment of Ms. Avani Vishal Davda as the Managing Director of the Company, for a period of three years from May 5, 2016 to May 4, 2019 on the terms and conditions as set out in the Explanatory Statement annexed to this Notice, with liberty to the Directors/ Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors/ Nomination and Remuneration Committee and Ms. Avani Vishal Davda."



"RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard including but not limited to filing of requisite application/ forms/ reports, etc. with the Ministry of Corporate Affairs, Central Govt. or with such other authorities as may be required for the purpose of giving effect to this resolution."

5. Regularization of Appointment of Mr. Sandeep Murthy, additional director in Independent Capacity as an Ordinary Resolution.

To consider and if thought fit, to pass with or without modification(s), the following resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, as an Independent Director of the Company not liable to retire by rotation, consent of the members of the Company be and is hereby accorded for appointment of Mr. Sandeep Murthy (DIN: 00591165), Additional Director of the Company, who vacates office at the conclusion of the Annual General Meeting, as an Independent Director of the Company for a period of Five years with effect from 5 May, 2016."

"RESOLVED FURTHER THAT, the Board of Directors and the Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

6. Increase in Authorized Share capital of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for time being in force), if any, consent of the members be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 2,350,000,000/- (Rupees Two hundred and Thirty Five Crore Only) divided into 235,000,000 (Twenty Three Crore Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 2,700,000,000/- (Rupees Two Hundred and Seventy Crore Only) divided into 270,000,000 (Twenty Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten) each."

"RESOLVED FURTHER THAT, the Board of Directors and the Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."



7. Amendment in the Memorandum of Association of the Company.

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 13 and other applicable provisions, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for time being in force) if any, consent of the members be and is hereby accorded to amend the Memorandum of Association of the Company by substituting following clause V (i) in place of the existing:

"V(i) The Authorized Share Capital of the Company is Rs. 2,700,000,000/- (Rupees Two Hundred and Seventy Crore Only) divided into 270,000,000 (Twenty Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten) each."

"RESOLVED FURTHER THAT the amended Memorandum of Association of the Company be and is hereby adopted."

"RESOLVED FURTHER THAT, the Board of Directors and the Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

8. Rights Issue of the Equity Shares.

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

"RESOLVED THAT pursuant to the provisions of Section 62 (1) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, modifications, variation or re-enactment thereof), and subject to the Memorandum and Articles of Association of the Company and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company, consent of the members be and is hereby accorded to grant authority to the Board of Directors of the Company to exercise its powers as conferred by this resolution (to the extent permitted by law), to create, offer, issue and allot Equity shares to the existing members of the Company in one or more tranches, at such time or times, at such price or prices, as may be decided by the Board in its absolute discretion at the time of issue of Equity shares in one or more offerings/tranches, provided that the total number of Equity Shares that may be issued pursuant to this resolution shall not exceed Rs. 35,00,00,000 (Thirty Five Crore) divided into 3,50,00,000 (Three Crore Fifty Lakh) Equity shares of Rs. 10 each".

"RESOLVED FURTHER THAT the approval is hereby accorded to the Board to issue and allot such number of Equity Shares as may be required to be issued and allotted or as may be necessary in accordance with the terms of the issue/ offering and all such Equity Shares shall rank pari passu with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary with regard to the said issue and /or allotment of the equity shares,



utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto for the purpose of giving effect to the above resolution".

9. Creation of Charges on the movable and immovable assets of the Company, both present and future, in respect of borrowings.

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

"RESOLVED THAT subject to the provisions of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard consent of the members be and is hereby accorded to authorize the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution to pledge, mortgage and/or charge in all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of Banks, Financial Institutions, any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the maximum extent of the indebtedness secured by the properties of the Company does not exceed Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only) at any time.

"RESOLVED FURTHER THAT the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the Lenders the requisite agreement, documents, deeds and writings for borrowing and/ or creating the aforesaid mortgage(s) and/ or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolutions."

10. Increasing the borrowing limits of the Company to Rs. 150 Crores.

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

"RESOLVED THAT subject to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard consent of the members be and is hereby accorded to authorize the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or anybody corporate/ entity/entities and/or authority/authorities either in rupees or in such other foreign currencies as may be permitted by law from time to time, which together with the monies already borrowed by the Company, apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business, may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board and outstanding at any one time shall not at any time exceed Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only).





"RESOLVED FURTHER THAT, the Board of Directors and the Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

11. Loans and Investment of the funds of the Company.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("the Act") read with Companies (Management and Administration) Rules, 2014 and the provisions of the Articles of Association of the Company and subject to other statutory approvals, consents, sanctions and permissions, as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers, including the powers conferred by this resolution) to give any loan(s) and to give any guarantee(s) or provide any security(ies) in connection with any loan(s) and to make further investment / acquisition by way of subscription for such amount(s) as the Board may in its absolute discretion determine provided that the aggregate outstanding amount of such loan(s) / guarantee(s)/ security(ies)/investment(s) (including the loan(s) / guarantee(s) / security(ies) / investments already given / made / held by the Company) shall not any time exceed 80 crore (Rupees One Hundred crore only).

"RESOLVED FURTHER THAT the Board be and is hereby authorised to decide and finalise in its absolute discretion the terms and conditions, the timing and all related matters in respect of the above mentioned loan(s) / guarantee(s)/ security(ies) / investment(s) including but not limited to timing, the amount and the nature of each such loan(s)/ guarantee(s) / security(ies) / investment(s), with power to transfer, sell, settle or otherwise dispose off the same, from time to time and to do all such acts, deeds, matters and things, as may be necessary and / or expedient to give effect to this resolution."

"RESOLVED FURTHER THAT, the Board of Directors and the Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

By Order of the Board of Directors
For Natures Basket Limited

Sd/-

Sushma Shukla
Company Secretary



Mumbai, 5 May, 2016

REGISTERED OFFICE:
Godrej One, 3rd floor,



NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.
3. Corporate Members intending to send their authorized representatives to attend and vote at the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Proxy- holders are requested to carry an Identity Proof at the time of attending the meeting.
5. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
6. Members are requested to send their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
7. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, May 5, 2016 to Monday, May 9, 2016 (both days inclusive) for the Annual General Meeting.
8. All documents referred to in the accompanying notice and the statement shall be open for inspection at the Registered Office of the Company during normal business hours from 10 a.m. to 1 p.m. on all working days, up to and including the date of the Annual General Meeting of the Company and will also be available for inspection at the meeting.
9. Members/Proxies are requested to bring their duly filled attendance slip sent herewith at the meeting.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item 4

Ms. Avani Vishal Davda has rich experience in retail, business strategy and brand building and this will help in scaling the business to greater heights. Taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in the industry



and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 5 May, 2016 approved the remuneration, terms and conditions of the appointment of Ms. Avani Vishal Davda, subject to approval of the shareholders and Central Government on the terms and conditions given hereunder:

After considering the performance of the Company in the financial year 2015-16, the Company may not have adequate profit for the purpose of computation of managerial remuneration of Ms. Avani Vishal Davda as detailed below on her appointment. As per section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the remuneration payable to Ms. Avani Vishal Davda, as detailed below, may exceed the limits prescribed under Part II of the Schedule V for minimum remuneration in case of inadequacy of profit or loss made by the Company. In terms of section 197 read with Schedule V of the Companies Act, 2013 approval of the Members and the Central Government is required in case the Company suffers loss or its profit is inadequate for paying above remuneration as minimum remuneration to Ms. Avani Vishal Davda. The remuneration paid or to be paid to Ms. Avani Vishal Davda is in line with the remuneration being paid by the Companies of comparable size in the industry in which the Company operates, i.e. the Retail Industry. The Board of Directors considers that in view of the background and experience of Ms. Avani Vishal Davda, it would be in the interest of the Company to appoint her as Managing Director of the Company.

The terms and conditions of Ms. Avani Vishal Davda's appointment including her remuneration for the said appointment as approved by the Board have been set out in the draft Agreement between the Company and Ms. Avani Vishal Davda, which are as follows:

(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. 64,00,000/- to Rs. 91,00,000/- p.a. payable monthly. The Basic Salary as approved by the Nomination and Remuneration Committee to Ms. Avani Vishal Davda for the financial year 2016-17 is Rs. 64,00,000/- p.a. The Annual Basic Salary and increments will be decided by the Nomination and Remuneration Committee/Board of Directors depending on the performance of the Directors, 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 Nomination and Remuneration Committee/Board of Directors of the Company based on Sales and Profit Before Taxation (PBT) and having regard to the performance of the abovementioned Director for each year.

(iii) Employee Stock Grant Scheme (ESGS) or Employee Stock Option Scheme (ESOS):

Ms. Avani Vishal Davda is also entitled to Equity Shares of Godrej Industries Limited (Holding Company) pursuant to ESGS or ESOS scheme as may be decided by the Nomination and Remuneration Committee/Board of Directors of the Company based on performance of the abovementioned Director for each year.

(iv) Flexible Compensation:

In addition to the Fixed Compensation, PLVR and ESGS/ESOS, the abovementioned 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, 2013 (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to the abovementioned Director in the

manner as the Board may decide as per the Rules of the Company.

- Housing (i.e. furnished residential accommodation cost of which shall be at actuals OR House Rent Allowance at 85% of Basic Salary)
- Supplementary Allowance;
- Leave Travel Assistance;
- Educational Allowance;
- Dressing/ Clothing Allowance;

- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of food vouchers, conveyance & fuel reimbursement;
- 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;
- 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 abovementioned Director shall be between Rs.80,00,000/- to Rs.1,11,00,000/-p.a., payable monthly upto 4 May, 2019 (including fuel, maintenance and other incidental expenses for Car) plus housing (i.e. furnished residential accommodation cost of which shall be at actuals OR House Rent Allowance at 85% of Basic Salary). In addition to the above, the abovementioned director shall be eligible for group insurance cover, group hospitalization cover, and/or any other allowances, perquisites and facilities as per the Rules of the Company.

Explanation:

- a) For 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.

(v) 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 abovementioned Director from time to time, shall not exceed the limits prescribed from time to time under Sections 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), unless approved by the Central Government.

(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 abovementioned 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 V to the Companies Act, 2013, except with the approval of the





Central Government.

iii. The limits specified above are the maximum limits and the Nomination and Remuneration Committee / Board may in its absolute discretion pay to the abovementioned 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, 2013 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, 2013 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 abovementioned Director cease to be in the employment of the Company for any cause whatsoever, he/she shall cease to be the Managing Director of the Company.

vi. The Managing Director is appointed by virtue of their employment in the Company and their appointment is subject to the provisions of Section 167 of the Companies Act, 2013 while at the same time the Director is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

The Board and the Nomination and Remuneration Committee of the Company have on 5 May, 2016 accorded their approvals to the above and have recommended the aforesaid resolutions as set out in this notice for approval of the shareholders.

None of the Directors except Ms. Avani Davda, are in any way concerned or interested in the aforesaid business item no. 4

The Board of Directors accordingly recommend the special resolution set out at Item No. 4 of the Notice for your approval.

The following additional information as required under Schedule V of the Companies Act, 2013 is given below:

I. General Information:

1. Nature of Industry

The Company is engaged in the business of Gourmet Food Retailing.

2. Date or expected date of commencement of commercial production or Date of Commencement of Business: May 2008.

3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

4. Financial Performance based on given indicators:

Fig. in Thousands

Particulars	Current Year	Previous Year
	2015-2016	2014-2015
Total Income	27,05,582	20,94,537
Expenditure other than Interest and Depreciation	31,76,265	23,78,162





Profit before Interest, Depreciation and Tax,	(4,70,683)	(2,83,625)
Interest (Net)	50,113	54,572
Profit before depreciation and tax	(5,20,796)	(3,38,197)
Depreciation	1,04,906	88,009
Profit before Tax and exceptional items	(6,25,702)	(4,26,206)
Tax Expense	(391)	16
Net Profit	(626093)	(426190)

5. Foreign Investments and Collaborations:

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

II. Information about the Appointee:**1. Background Details:**

Ms. Avani Vishal Davda is Masters in Management, having rich experience in leading Companies in the Retail Sector. With her understanding of business strategy and brand building will help scale the business to greater heights.

2. Past remuneration:

N.A.

3. Recognition and Awards:

N.A.

4. Job profile Suitability:

Ms. Avani Davda has gained invaluable insight and expertise working with the Tata Group. Her roles have spanned sales and distribution management, product and brand management, product development and Innovation, channel development, general management etc., This has given her a rich understanding of diverse organizational demands besides equipping her to handle P&L responsibilities.

5. Remuneration proposed:

Salary proposed to Ms. Avani Vishal Davda in the basic scale of Rs. 64,00,000/- to Rs. 91,00,000/- p.a. payable monthly and other perquisites, allowances, other benefits etc. respectively, as fully set out herein above.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Retail being a growing sector has seen exponential growth in CEO's salaries over the past 4 to 5 years. With demand for talent intensifying, remunerations for the right candidates will only grow further. Taking into consideration the size of the business currently and growth expectations, the remuneration proposed to be paid is appropriate.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

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NATURES BASKET LTD.

Not Applicable

III. Other Information:

1. Reasons of loss or inadequate profits:

The Company is in the retail industry which typically has longer gestation periods. The Company had commenced its business towards the end of year 2008 and since then it has been on a continuous growth path. Infact almost all of its stores that have been in operation for 3 years or more are now turning profitable. The losses are largely on account of stores that are relatively newer or less than 3 yrs old. This is typical of the pattern within the retail industry. We expect these store to come into profitability soon too. In this fiscal the business has also added e-commerce and planned to grow that significantly. This will help it target a new base of consumers even though in the initial years the investments in this channel will exceed the returns.

2. Steps taken or proposed to be taken for improvement

The business has been growing at a CAGR of 28% over the last 3 years which is significantly higher than the growth shown by the other retailers in the same period. Actions are being taken to further improve availability of key product ranges, drive awareness of the business, introduction and growth of a private label portfolio, growth in margins besides controlling its costs.

3. Expected increase in productivity and profits in measurable terms:

With the expected additions of further new stores every year as well as the continuing investments in the e commerce channel, the business is expected to break even only by the year 2019-20.

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Related Party Transaction under the heading 'Remuneration' for the year ended March 31, 2016.

Item 5

In accordance with the provisions of Section 149 of Companies Act, 2013 and Rule 4 of The Companies (Appointment and Qualification of Directors) Rules 2014, which came into effect from 1 April, 2014 every public Company having paid up share capital of Rupees Ten Crores rupees or more or Turnover of Hundred crores or more or aggregate outstanding loans, debentures and deposits exceeding fifty crores or more, is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retirement by rotation and who shall hold office for a term of consecutive five years.

Consequent to the applicability of the Companies Act, 2013, the Board of Directors appointed Mr. Sandeep Murthy as an Additional Director in independent capacity for a term of consecutive five years with effect from 5 May, 2016. The Company has received consent from Mr. Murthy and also declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013.



In this regard a requisite notice in writing from a member has been received proposing appointment of Mr. Murthy as candidate for the office of Independent Director of the Company.

In the opinion of the Board Mr. Murthy will fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Other than the said Independent Director none of the Directors, key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolutions as set out in item number 5 of this Notice. The Board recommends the Ordinary Resolutions as set out at item no. 5 of the Notice for approval of members.

A brief profile of Mr. Sandeep Murthy is as under:

As an early investor in InMobi, InfoEdge and Shopclues, three of India's billion dollar technology unicorns, Sandeep Murthy is one of the builders of India's Internet economy. And he hasn't just seen the highs and lows play out as an investor, but has actually roughed it out in operational roles including one as the CEO of Cleartrip in 2006. Today he's a co-founder and partner at Lightbox, a venture capital firm based in Mumbai that works closely with entrepreneurs from across India to build world-class teams and consumer technology products.

Sandeep did his under graduation in both business and engineering from the University of Pennsylvania as well as an MBA from Wharton.

None of the Directors except Mr. Sandeep Murthy are in any way concerned or interested in the aforesaid business item 5.

The Board of Directors accordingly recommend the special resolution set out at Item No. 5 of the Notice for your approval.

Item 6 & 7

In order to enable the Company to raise additional short-term finance by issue of securities/equity shares to the shareholders of the Company, the existing Authorised Share Capital may not be sufficient for the purpose. It is therefore considered necessary to increase the Authorised Share Capital of the Company to the extent mentioned in item No. 6 of the Notice, with the consequential alterations in the Capital Clauses of the Memorandum of Association of the Company as set out in item 7 of the Notice. The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase in the Authorised Share Capital and for the alteration of Capital Clause of the Memorandum of Association and the Articles of Association of the Company and accordingly the Board recommends the relevant resolutions for the approval of the Members.

None of the Directors are in any way concerned or interested in the aforesaid business item 6 & 7.

The Board of Directors accordingly recommend the special resolution set out at Item No. 6 and 7 of the Notice for your approval.

Item No. 8

The Company proposes to increase its capital base for the financing and expansion objectives

of the Company as well as to pursue new opportunities, repayment of borrowings, working capital requirement, capital expenditure and also promotional as well as brand building exercise by way of issue of new equity shares on right basis to the existing members of the Company in one or more tranches.

Further the Articles and Memorandum of Association of the Company mandates approval of members through special resolution in general meeting for issuing equity shares to the members of the Company.

Resolution at Item No. 8 seeks to empower the Board to issue Equity shares by way of Rights Issue to the existing members of the Company in one or more tranches, such that the total no. of shares issued pursuant to this resolution shall not exceed Rs. 35,00,00,000 (Thirty Five Crore) divided into 3,50,00,000 (Three Crore Fifty Lakh) Equity shares of Rs. 10 each".

The Resolution at Item no. 8 seeks to give the Board powers to issue equity shares to the members of the Company, in one or more tranches, at such time or times, at such price or prices and to the members of the Company, as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board in its sole discretion.

The Resolution at Item no.8 if passed, will have the effect of allowing the Board to offer, issue and allot Securities to the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and / or their relatives except Ms. Tanya A. Dubash being Director in the Holding Company is deemed to be concerned or interested in the business item no. 8

The Board of Directors accordingly recommend the special resolution set out at Item No. 8 of the Notice for your approval.

Item Nos. 9 & 10

In order to meet the additional fund requirements of the Company for various purposes the Board proposed to increase the overall borrowing limits of the Company Rs. 150 crores (Rupees One Hundred and Fifty Crores). In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company require Members approval by way of special resolution to borrow moneys in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose) excluding temporary loans obtained from the Company's bankers in the ordinary course of business. The Members by their resolution passed on 14 July, 2014 had accorded consent to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of Rs. 88 crores. The Members had also accorded consent to the Board of Directors for creation of mortgages, charges and hypothecations etc. to secure aforesaid borrowings through the same resolution. The proposed borrowings by the Company, if required, is to be secured by mortgage or charge on all or any of the movable or immovable or any tangible and intangible assets / properties of the Company (both present & future), in favour of any lender including the financial institutions / banks / debenture trustees etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). The mortgage and / or charge on any of the movable and / or immovable or any tangible and intangible assets / properties and / or the



whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013 read with rules made thereunder.

The resolutions contained in item nos. 9 & 10 of the Notice, accordingly, seek shareholders' approval through special resolutions for increasing the borrowing limits and disposal of the Company's undertaking(s) by creation of mortgage / charge etc. thereon and for authorizing the Board of Directors (including a Committee thereof authorized for the purpose) of the Company to complete all the formalities in connection with the increase in the borrowing limits and creating charge on Company's properties, respectively.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

The Board of Directors accordingly recommend the special resolution set out at Item No. 9 & 10 of the Notice for your approval.

Item No. 11.

As per the provisions of Section 186 of the Companies Act, 2013, a company cannot make investment, give loan and guarantee or provide any security in connection with any loan or acquire by way of subscription, purchase or otherwise securities of any other body corporate in excess of 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, unless it is previously authorized by a special resolution. As a measure of achieving greater financial flexibility and to enable the Company to enter into appropriate transactions including, in particular, transactions requiring the Company to invest the funds of the Company in form of loans, it is proposed that the Board of Directors be authorized to invest up to 80 crore in any body corporate by way of grant of loan(s) and/or provide any other form of debt to and/or place inter-corporate deposit(s) with and/or investment(s) in and/or purchase security(ies) and/or give guarantee(s) or provide security(ies) in connection with loan(s) made by any other person to anybody corporate or entity.

None of the Directors and/or Key Managerial Personnel of the Company and / or their relatives except Ms. Tanya A. Dubash being Director in an associate Company is deemed to be concerned or interested.

The Board of Directors accordingly recommend the special resolution set out at Item No. 11 of the Notice for your approval.

**By Order of the Board of Directors
For Natures Basket Limited**



**Sd/-
Sushma Shukla
Company Secretary**

Mumbai, 5 May, 2016

REGISTERED OFFICE:
Godrej One, 3rd floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai - 400 079