

Annexure to Notice

As required by Section 173 of the Companies Act, 1956, (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 8 to 11 of the accompanying Notice dated 11th June, 2013.

2. **Item Nos. 8, 9 and 10:** Mr. D. K. Mehrotra was appointed as an Additional Director by the Board with effect from 22nd October, 2012, Mr. Koushik Chatterjee was appointed as an Additional Director by the Board with effect from 9th November 2012 and Mr. O. P. Bhatt was appointed as an Additional Director by the Board with effect from 10th June, 2013.
3. In terms of Section 260 of the Act and Article 121 of the Company's Articles of Association, Mr. D. K. Mehrotra, Mr. Koushik Chatterjee and Mr. O. P. Bhatt hold office as Directors only till the date of the forthcoming Annual General Meeting, but are eligible for appointment. Notices have been received from members as required by Section 257 of the Act, signifying their intention to propose the candidatures of Mr. D. K. Mehrotra, Mr. Koushik Chatterjee and Mr. O. P. Bhatt for the office of Director.
4. Mr. D. K. Mehrotra is an honours Graduate in Science from the University of Patna. He has attended several important knowledge forums in India and abroad and is associated with the apex training institutes of insurance in India like the National Insurance Academy and the Insurance Institute of India. He was formerly Chairman of Life Insurance Corporation of India and presently is a Director on the Board of ITC Ltd.
5. Mr. Koushik Chatterjee is an honours Graduate in Commerce from Calcutta University and is a Fellow Member of the Institute of Chartered Accountants of India. He was appointed as a Whole-Time Director of the Company with effect from 9th November, 2012 designated as Executive Director and Group Chief Financial Officer. He has been associated with the Company since 1995. Mr. Chatterjee has been performing the role of the Chief Financial Officer since his appointment as Vice President (Finance) on 1st August, 2004. He has wide experience in Financial Reporting, International Finance, Mergers and Acquisitions, Treasury and other areas of Finance and Management. He is on the Board of several Tata Steel Group companies including Tata Steel Europe, NatSteel Holdings Pte. Limited, Tata Steel (Thailand) Public Company Limited, and others.
6. Mr. O. P. Bhatt is a graduate in Science and post graduate in English Literature (Gold Medal). His last assignment from 1st July, 2006 to 31st March, 2011 was as Chairman, State Bank Group which includes amongst others State Bank of India, India's largest commercial bank, five associate banks in India and five banks overseas. He also served as Chairman of Indian Banks' Association, the apex body of Indian Banks.
7. The Board considers it desirable that the Company should continue to avail itself of the services of Mr. D. K. Mehrotra, Mr. Koushik Chatterjee and Mr. O. P. Bhatt as Directors and accordingly commend the Resolutions at Item Nos. 8, 9 and 10 for approval by the Members.
8. None of the Directors other than Mr. D. K. Mehrotra, Mr. Koushik Chatterjee and Mr. O. P. Bhatt are interested in the Resolutions at Item Nos. 8, 9 and 10.
9. **Item No. 11:** The Board of Directors has appointed Mr. Koushik Chatterjee as a Whole-Time Director of the Company for a period of 5 years with effect from 9th November, 2012, subject to the approval of the shareholders and he is designated as Executive Director and Group Chief Financial Officer.

Mr. Koushik Chatterjee is an Honours Graduate in Commerce from Calcutta University and a Fellow Member of the Institute of Chartered Accountants of India. He joined the Company in 1995 and worked in the area of Corporate Finance and Planning. He moved to Tata Sons Limited in 1999 and was appointed General Manager Corporate Finance in 2002. On 1st August, 2003 he re-joined the Company as Joint Chief Controller, on 1st August 2004 he was appointed Vice President (Finance) and he was re-designated as Group Chief Financial Officer with effect from 1st January, 2008.

On the recommendation of the Remuneration Committee, the Board, at its meeting held on 14th December, 2012 approved the terms and conditions of Mr. Koushik Chatterjee's appointment, subject to the approval of the shareholders.

The main terms and conditions relating to the appointment of Mr. Koushik Chatterjee as Executive Director and Group Chief Financial Officer (ED & GCFO) are as follows:

- (1) Period: From 9th November, 2012 to 8th November, 2017.
- (2) Nature of Duties:

The ED & GCFO shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies

and/or joint venture companies and/or subsidiaries. This includes performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or joint venture companies and/or subsidiaries or any other executive body or any committee of such a company for which he may be allowed to receive remuneration as may be determined by the Board of such associated companies and/or joint venture companies and/or subsidiaries, subject to compliance with the applicable provisions of the prevailing laws and regulations.

- (3) A. Remuneration:
- (a) Salary : ₹ 5,00,000/- per month, in the scale of ₹ 5,00,000/- to ₹ 8,00,000/- per month, with annual increments effective 1st April, each year, as may be decided by the Board, based on merit and taking into account the Company's performance for the year;
 - (b) Bonus/performance linked incentive, Long Term Incentive Plan and/or commission based on certain performance criteria laid down by the Board;
 - (c) Benefits, perquisites and allowances as will be determined by the Board from time to time.
- B. Minimum Remuneration:
- Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of ED & GCFO, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits and perquisites and allowances, bonus/performance linked incentive, Long Term Incentive Plan as approved by the Board.
- (4) (i) The ED & GCFO shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- (ii) The terms and conditions of his appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule XIII to the Act, or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and him, subject to such approvals as may be required.
- (iii) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- (iv) The employment of the ED & GCFO may be terminated by the Company without notice or payment in lieu of notice:
- (a) If the ED & GCFO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or joint venture company or associated company to which he is required by the Agreement to render services; or
 - (b) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations contained in the agreement to be executed between the Company and him or
 - (c) In the event the Board expresses its loss of confidence in him.
- (v) Upon the termination by whatever means of the ED & GCFO's employment:
- (a) He shall immediately tender his resignation from other offices held by him in any subsidiary or joint venture company or associated company and other entities without claim for compensation for loss of office.
 - (b) He shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or joint venture companies or associated companies.
- (vi) The ED & GCFO is being appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Act. He shall not be liable to retire by rotation.
- (vii) If and when the agreement expires or is terminated for any reason whatsoever, the ED & GCFO will cease to be Executive Director & Group Chief Financial Officer and also cease to be a Director. If at any time he ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the ED & GCFO and the agreement shall forthwith terminate. If at any time, he ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and ED & GCFO of the Company.
- (viii) The terms and conditions of appointment of ED & GCFO also include clauses pertaining to adherence to the Tata Code of Conduct, intellectual property, non competition, no conflict of interest with the Company and maintenance of confidentiality.
10. An abstract of the terms of remuneration of Mr. Koushik Chatterjee pursuant to Section 302 of the Companies Act, 1956 was sent to the members in December 2012.

11. Except Mr. Koushik Chatterjee, no other Director is concerned or interested in the passing of this resolution.
12. In compliance with the provisions of Sections 198, 269, 309 and other applicable provisions of the Act, read with Schedule XIII to the Act, the approval of the members is sought for the appointment and terms of remuneration of Mr. Koushik Chatterjee as ED & GCFO as set out above.
13. The Resolution regarding the appointment of the ED & GCFO at Item No. 11 is commended for approval by the members.

By Order of the Board of Directors

A ANJENEYAN
*Company Secretary &
 Chief of Compliance*

Mumbai, 11th June, 2013.

Registered Office:

Bombay House,
 24, Homi Mody Street, Fort,
 Mumbai 400 001

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting
 (in pursuance of Clause 49 of the Listing Agreements)

Name of Director	Mr. Nusli N Wadia	Mr. Subodh Bhargava	Mr. Jacobus Schraven	Dr. Karl-Ulrich Koehler
Date of Birth	15.02.1944	30.03.1942	08.02.1942	01.04.1956
Date of Appointment	29.08.1979	29.05.2006	17.05.2007	12.11.2010
Expertise in specific functional areas	Industrialist with rich business experience in general	Wide experience across various industries	Lawyer	Wide experience in steel industry
Qualifications	Educated in UK	Mechanical Engineer from University of Roorke	Masters Degree in Law	Doctorate from Clausthal University of Technology, Germany
Directorship held in other public companies (excluding foreign companies)	The Bombay Dyeing and Manufacturing Company Limited Wadia Techno Engineering Services Limited The Bombay Burmah Trading Corporation Limited Britannia Industries Limited Tata Chemicals Limited Tata Motors Limited Go Airlines (India) Limited	Tata Communications Limited TRF Limited Carborundum Universal Limited GlaxoSmithKline Consumer Healthcare Limited Batliboi Limited Larsen & Toubro Limited Tata Motors Limited	NIL	NIL
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	NIL	Audit Committee - Chairman Carborundum Universal Limited Audit Committee - Member Tata Communications Limited Batliboi Limited GlaxoSmithKline Consumer Healthcare Limited	NIL	NIL
Shareholdings in the Company	NIL	1012	NIL	NIL

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

(in pursuance of Clause 49 of the Listing Agreements)

Name of Director	Mr. D. K. Mehrotra	Mr. Koushik Chatterjee	Mr. O. P. Bhatt
Date of Birth	05.05.1953	03.09.1968	07.03.1951
Date of Appointment	22.10.2012	09.11.2012	10.06.2013
Expertise in specific functional areas	Rich and varied experience in Insurance Sector	Wide experience in the field of Finance and Management	Wide experience in Banking and Financial Markets
Qualifications	Honours Graduate in Science from Patna University.	B.Com(Hons) from Calcutta University and Fellow Member of the Institute of Chartered Accountants of India	Graduate in Science and Post Graduate in English Literature (Gold Medal)
Directorship held in other public companies (excluding foreign companies)	ITC Limited Axis Bank Limited	Tata Services Limited The Tinplate Company of India Limited Tata Metaliks Limited Tata Steel Odisha Limited	Oil and Natural Gas Corporation Limited Hindustan Unilever Limited Tata Consultancy Services Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	NIL	NIL	Audit Committee – Member Tata Consultancy Services Limited Hindustan Unilever Limited Oil and Natural Gas Corporation Limited Stakeholders Relationship Committee – Chairman Hindustan Unilever Limited Shareholders'/Investors' Grievance Committee Tata Consultancy Services Limited Oil and Natural Gas Corporation Limited
Shareholdings in the Company	NIL	1320	NIL