

LOTTE INDIA CORPORATION LIMITED

Regd Office : 4/111, Mount Poonamallee Road, Manapakkam, Chennai – 600 089
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Corporate Identity Number: U15419TN1954PLC001987; website: www.lotteindia.com

NOTICE OF POSTAL BALLOT TO THE SHAREHOLDERS (UNDER SECTION 110 OF THE COMPANIES ACT, 2013)

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed as special resolutions by way of postal ballot. The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a postal ballot form (the "Form") for your consideration. The Board of Directors of the Company (the "Board") has appointed Mr.K.Mohan, Partner – J.K.M Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.30 p.m. on 24th, day of November 2014. The assent or dissent received thereafter shall be treated as if reply from the member has not been received.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/Director. The result of the postal ballot would be announced by a Director or the Company Secretary of the Company on 28th day of November 2014 at 11.00 a. m. at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, published in the newspapers and displayed along with the Scrutinizer's report on the Company's website viz. www.lotteindia.com

SPECIAL BUSINESS

Item No.1: Appointment of Mr.Moo Sun Song as Whole Time Director for 3 years.

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

RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules

made thereunder including any statutory modification(s) or re-enactment thereof and subject to approval of Central Government, Mr.Moo Sun Song be and is hereby appointed as Whole Time Director for a period of 3 years with effect from 19th August, 2014 on the following terms and conditions and in the event of no profits or inadequacy of profits, to consider the same remuneration as the minimum remuneration.

	Description	Remuneration per year (Rs.)
Salary	Basic Salary	660000
	Personal allowance	174000
	Special personal allowance	970800
	Additional personal allowance	472800
	Grade allowance	96300
	Total (A)	2373900
Benefits	Housing (Rent free furnished accomodation)	540000
	Car running expenses	300000
	Medical reimbursement	15000
	Medicclaim insurance upto Sum Insured Rs.2 lacs & Company hospitalisation	18000
	Total (B)	873000
Retiral benefits	Provident Fund	284868
	Gratuity	32208
	Superannuation fund	99000
	Total (C)	416076
	Total Salary (A + B + C)	3662976

RESOLVED FURTHER THAT subject to applicable provisions of the Companies Act and subject to the approval of the Central Government, if necessary, the consent of the Company be and is hereby accorded for the payment of the remuneration exceeding the limit of 5% of Net Profits p.a in case of sufficient profits.

RESOLVED FURTHER THAT Mr.Moo Sun Song shall be governed by all service conditions of the Company as applicable to Senior Management Staff including age of retirement.

RESOLVED FURTHER THAT Mr. Moo Sun Song shall not be entitled to any sitting fee for attending the meeting of the Board or any Committee thereof.

RESOLVED FURTHER THAT the Board of Directors or the Remuneration and Nomination Committee be and is hereby authorized to alter or vary or increase or revise the component and elements of remuneration payable to Mr.Moo Sun Song within the overall limits under the companies Act, 2013 and to do all such acts, deeds and things and execute all such documents and forms as may be required and to give effect to the above resolutions

Item No.2: Payment of revised remuneration to Mr.Milan Wahi, Managing Director.

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

RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof and subject to the approval of Central Government, if necessary, the consent of the Company be and is hereby accorded for the payment of following revised remuneration to Mr.Milan Wahi, Managing Director with effect from 1st August, 2014 and in the event of no profits or inadequacy of profits, to consider the same remuneration as the minimum remuneration.

	Description	Present Remuneration per year (Rs.)	Revised Remuneration (Rs.)
Salary	Basic Salary	1800000	2160000
	Special allowance	1788132	2325960
	House rent allowance	900000	1080000
	Leave travel allowance	175716	193284
	Total (A)	4663848	5759244
Benefits	Maintenance of car, fuel and driver's salary	144000	201000
	Club entrance fee (for 2 clubs only)	10000	10000
	Club subscription	15000	15000
	Performance incentive	1399695	1540000
	Medical reimbursement	100000	100000
	Medical insurance premium & hospitalisation benefits by company	46000	12024
	personal accident insurance premium	10000	1000
	Telephone - land line & mobile	36000	36000
	Total (B)	1760695	1915024

	Description	Present Remuneration per year (Rs.)	Revised Remuneration (Rs.)
Retiral benefits	Provident Fund	216000	259200
	Gratuity	87840	105408
	Superannuation fund	270000	324000
	Total (C)	573840	688608
	Total Salary (A + B + C)	6998383	8362876

RESOLVED FURTHER THAT subject to applicable provisions of the Companies Act and subject to the approval of the Central Government, if necessary, the consent of the Company be and is hereby accorded for the payment of the remuneration exceeding the limit of 5% of Net Profits p.a in case of sufficient profits.

RESOLVED FURTHER THAT Mr.Milan Wahi shall be governed by all service conditions of the Company as applicable to Senior Management Staff including age of retirement.

RESOLVED FURTHER THAT Mr. Milan Wahi shall not be entitled to any sitting fee for attending the meeting of the Board or any Committee thereof.

RESOLVED FURTHER THAT the Board of Directors or the Remuneration and Nomination Committee be and is hereby authorized to alter or vary or increase or revise the component and elements of remuneration payable to Mr.Milan Wahi within the overall limits under the companies Act, 2013 and to do all such acts, deeds and things and execute all such documents and forms as may be required and to give effect to the above resolutions.

Item No.3: Payment of remuneration to Mr.Kyo Hee Kim

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

RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made there under including any statutory modification(s) or re-enactment thereof and subject to the approval of Central Government, if necessary, consent of the Company be and is hereby accorded for the payment of following same remuneration to Mr.Kyo Hee Kim as Whole Time Director as per the terms and conditions as approved by shareholders at their Extra-ordinary General Meeting held on 27.12.2013 as minimum remuneration for the period from 01.01.2014 to 20.05.2014 in the event of no profits or inadequacy of profits for the year ended 31.12.2014.

	Description	Remuneration per annum (Rs.)
Salary	Basic Salary	660,000
	Total (A)	660,000
Benefits	Housing (Rent free furnished accommodation)	1,000,000
	Car running expenses	120,000
	Club entrance fee & subscription	25,000
	Medical reimbursement at actuals (Maximum Rs.1,00,000/-)	100,000
	Medical Insurance upto sum insured Rs. 2 Lacs & Co. Hospitalisation	18,000
	Telephone Land Line & Mobile	30,000
	Personal Allowance	174,000
	Special Personal Allowance	835,800
	Additional Personal Allowance	472,800
	Grade Allowance	96,300
Total (B)	2,871,900	
Retirement benefits	Provident Fund	270,468
	Gratuity	32,208
	Superannuation Fund	99,000
	Total (C)	401,676
	Total Salary (A+B+C)	3,933,575

Item No.4: Appointment of Mr.D.G.Rajan as Independent Director for 5 years.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof, Mr. D.G.Rajan, Director (holding Director Identification No.00303060), be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 19th August, 2014 to 18th August, 2019.

Item No.5: Appointment of Ms.Youngmi Lee as Independent Director for 5 years.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof, Ms. Youngmi Lee, Director (holding Director Identification No. 06932299), be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 19th August, 2014 to 18th August, 2019.

Item No.6: Approval for Related party transactions entered / to be entered with group companies.

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

RESOLVED THAT pursuant to Section 188 read with Rule 15 of Companies (Meeting of Board & Powers) Rules, 2014 and other applicable provisions of the Companies Act 2013 including any statutory modification(s) or re-enactment thereof, approval of the shareholders be and is hereby given to the Company to enter into following transactions / contracts / agreements, which are not in the ordinary course of business and /or are not at arm's length and value of such contracts etc exceeds the threshold limits prescribed by Companies Act, 2013 and Rules in force, with related parties including Companies under Lotte Group situated either in India or elsewhere from time to time:

(a) sale, purchase or supply of any goods or materials directly or through appointment of agents, (b) selling or otherwise disposing of, or buying, property of any kind, (c) leasing of property of any kind, (d) availing or rendering of any services, (e) construction of factories & offices etc, directly or through appointment of agents, (f) appointment to any office or place of profit in the company, its subsidiary or associate company and (g) underwriting the subscription of any securities or derivatives thereof of the company.

Item No.7: Borrowing in excess of paid-up capital and free reserves of the Company.

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

“RESOLVED THAT the consent of the Company under the provisions of Section 180 (1) (c) and such other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company be and is

hereby authorised to borrow any sum or sums of money from time to time, at its discretion, for the purpose of the business of the Company, on such terms and conditions as the Board may deem fit notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) from the company's banks or any other Bank, Financial Institutions or any other lending institutions will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose so that the total amounts of monies so borrowed at any time shall not exceed a sum of Rs.100,00,00,000 [Rupees One hundred crores only].

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and take necessary steps that may be necessary in connection therewith and incidental and ancillary thereto.”

Item No.8: Creation of mortgage / charge on the assets of the Company

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

RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors, in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, to mortgage and / or charge the movable and immoveable properties of the Company where so ever situate, present and future, and the whole of the undertaking of the Company to or in favour of Banks / Financial Institutions/Corporate Entities/ and other Bodies.

By Order of the Board
For Lotte India Corporation Limited

Chennai
Date: 19.08.2014

T.G.Karthikeyan
Company Secretary

NOTES

The Explanatory Statement for the proposed Special Resolutions pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed to this Notice.

The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited as on 17th October 2014.

Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on 17th October 2014.

Resolutions passed by the members through Postal Ballot shall be deemed to have been passed effectively at a general meeting of the members. The Special Resolution shall be declared as passed if the number of votes cast in favour of the Special Resolution is not less than three times the number of votes cast against the Special Resolution.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.1

Following the resignation of Mr.Kyo Hee Kim, Whole Time Director with effect from 20.05.2014, the Remuneration and Nomination Committee at its meeting held on 19.08.2014 considered and recommended the appointment of Mr.Moo Sun Song to the Board. The Board of Directors at their meeting of even date appointed Mr.Moo Sun Song as an Additional Director, who will hold office of Additional Director till the ensuing Annual General Meeting. Further, the Board at the same meeting appointed Mr.Moo Sun Song as Whole Time Director for a period of 3 years from 19.08.2014 subject to the approval of shareholders and Central Government.

Mr. Moo Sun Song is a Master of Business Administration with specialization in Finance. Before his appointment as C.F.O of the Company, he was working in Lotte Confectionery Co.Ltd, Korea as a Member of Finance & Accounting team since the year 2001. Prior to his appointment as Whole Time Director, he was working in our Company as Vice President (Supporting Services) & CFO. He is a Korean National. He is a member of Audit Committee, CSR Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Further, your company anticipates inadequacy or absence of profits for the year ended 31.12.2014. In the event of inadequacy or absence of profits, payment of remuneration to managerial persons requires the approval of Shareholders as per Schedule V of Companies Act, 2013. This has been already approved by the Remuneration and Nomination Committee and Board of Directors at their meeting held on 19.08.2014.

None of the Directors (other than Mr.Moo Sun Song), key managerial personnel and relatives of them is interested or concerned in the above resolution.

The Board of Directors recommends the passing the above special resolution.

Item No.2

Mr.Milan Wahi was appointed as Deputy Managing Director of the Company for a period of three years with effect from 2.04.2012 and subsequently he was elevated as Managing Director with effect from 12.07.2012 on the same terms and conditions.

The Board of Directors, based on the recommendation of Remuneration and Nomination Committee, at its meeting held on 19.08.2014 approved the payment of revised remuneration to Mr. Milan Wahi, Managing Director with effect from 01.08.2014 subject to the approval of Shareholders.

Further, your company anticipates inadequacy or absence of profits for the year ended 31.12.2014. In the event of inadequacy or absence of profits, payment of remuneration to managerial persons requires the approval of Shareholders as per Schedule V of Companies Act, 2013. This has been already approved by the Remuneration and Nomination Committee and Board of Directors at their meeting held on 19.08.2014.

None of the Directors (other than Mr.Milan Wahi), key managerial personnel and relatives of them is interested or concerned in the above resolution.

The Board of Directors recommends the passing the above special resolution.

Item No.3:

The Board of Directors at their meeting held on 12th July, 2012, appointed Mr. Kyo Hee Kim as Whole Time Director of the Company for three years with effect from 12.07.2012. He resigned from the post of Whole Time Director with effect from 20.05.2014.

Your company anticipates inadequacy or absence of profits for the year ended 31.12.2014. In the event of inadequacy or absence of profits, payment of remuneration to Mr.Kyo Hee Kim for the period from 01.01.2014 to 20.05.2014 requires the approval of Shareholders as per Schedule V of Companies Act, 2013. This has been already approved by the Remuneration and Nomination Committee and Board of Directors at their meeting held on 19.08.2014.

Other than Mr.Kyo Hee Kim, none of the directors, key managerial personnel and relatives of them are interested or concerned in the resolution.

The Board of Directors recommends the passing the above special resolution.

Item No.4

Mr.D.G.Rajan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of

the Company on 25th January, 2007. Mr.D.G. Rajan is the Chairman of Audit Committee, Remuneration & Nomination Committee, CSR Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Mr.D.G.Rajan is a fellow member of Institute of Chartered Accountants in England and Wales and Institute of Chartered Accountants of India. He was a Sr.Partner of M/s.Lovelock & Lewes, Chartered Accountants. He is holding Directorships in various reputed companies and has rich experience and expertise in the field of finance, accounts, taxation etc. Presently, he is the Advisor and Management Consultant to many domestic and international groups.

Mr.D.G. Rajan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Mr.D.G.Rajan has given his consent to act as independent director of the Company. His continued association with the Company will help in bringing an independent judgement on issues relating to strategy, risk management, accounts, finance and performance of the Company.

The Board of Directors, based on the recommendation of Remuneration and Nomination Committee, at its meeting held on 19.08.2014 appointed Mr.D.G.Rajan as an Independent Director for a term of five consecutive years from 19th August, 2014 to 18th August 2019 subject to the approval of shareholders.

None of the Directors (other than Mr.D.G.Rajan), key managerial personnel and relatives of them is interested or concerned in the above resolution.

The Board of Directors recommends the passing the above special resolution.

Item No.5

The Board of Directors, based on the recommendation of Remuneration and Nomination Committee, at its meeting held on 19.08.2014 appointed Ms.Youngmi Lee as an Additional Director, who will hold office of Additional Director till the ensuing Annual General Meeting. Further the Board at the same meeting appointed her as an Independent Director for a term of five consecutive years from 19th August, 2014 to 18th August 2019 subject to the approval of shareholders.

Ms.Youngmi Lee is a Certified Public Accountant practicing in Korea and having about 10 years experience in the field of finance and accounts. Currently, she is workings as Manager in E-chon Accounting Firm, Korea since 1st October, 2013.

Ms. Youngmi Lee fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her

appointment as an Independent Director of the Company and is independent of the management. Ms.Youngmi Lee has given her consent to act as independent director of the Company. Her association with the company will help in bringing an independent judgement on issues relating to strategy, risk management, performance of the company.

None of the Directors (other than Ms.Youngmi Lee), key managerial personnel and relatives of them is interested or concerned in the above resolution.

The Board of Directors recommends the passing the above special resolution.

Item No.6

The Company has been entering into contracts with related parties (group companies), in the ordinary course of business for import / export of food products & machineries etc avail / renders services and payment of Royalty etc. These transactions are also at arm's length price.

Pursuant to Section 188 read with Rule 15 of Companies (Meeting of Board & Powers) Rules, 2014, prior approval of shareholders is required if the value of transactions exceeds the threshold limits prescribed under the above rules and not in the course of ordinary business and / or not arm's length.

Though the contracts entered into / to be entered into with related parties are in the ordinary course of business and at arm's length price, yet the company deems fit to obtain the approval of shareholders as a matter of abundant caution.

Except Mr. Mang Ko Noh and Mr. Myung Ki Min, directors representing the holding company in their official capacity, none of directors or Key Managerial Personnel or their relatives, is concerned or interested in the above resolution.

The Board of Directors recommends the passing the above special resolution.

Item No.7 and 8

Under Section 293(1)(d) of the Companies Act, 1956, the shareholders at their 53rd Annual General Meeting held on 22.07.2008, by ordinary resolution, authorized the Board of directors to borrow funds (together with moneys already borrowed) not exceeding Rs.60 crores in excess of paid up capital and free reserves of the Company.

In terms of Circular dated 25.03.2014, issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed by the Companies under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. up to September 11, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution under the provisions of Companies Act, 2013.

Further, the Company is in the process of expanding its business operations by constructing a factory at Rohtak, Haryana and for that purpose and also for future projects, the Company may need to borrow funds in excess of paid up capital and free reserves of the Company.

Accordingly, it is considered necessary to fix the borrowing powers of the Board of directors to a sum not exceeding Rs.100 crores over and above the aggregate of paid-up capital and free reserves of the Company at any time.

Further, the Company has to create mortgage / charge on the movable and immovable properties of the Company in favour of banks, financial institutions, and lenders to secure the above loan.

None of the Directors, key managerial personnel and relatives of them is interested or concerned in the above resolutions.

The Board of Directors recommends the passing the above special resolution.

By Order of the Board
For Lotte India Corporation Limited

Chennai
Date: 19.08.2014

T.G.Karthikeyan
Company Secretary

Item No : 1

The following information pertaining to **Mr.Moo Sun Song** is furnished pursuant to the provisions of Schedule V to the Companies Act, 2013 :

General Information	Particulars
Nature of Industry	Confectionery
Date or expected date of commencement of commercial production.	The Company is in existence since 1954 (The name of the Company has since been changed from Paryys Confectionery Limited to Lotte India Corporation Limited)
In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospectus.	Not Applicable
Financial performance based on given indicators.	As per the unaudited (provisional) figures for the for the 9 months period ended 30 th September, 2014, the sales achieved was Rs.27535 lakhs and loss was Rs. 60 lakhs.
Foreign investments or collaborators, if any.	98.38 % of the paid up capital of the Company is held by M/s Lotte Confectionery Co., Ltd. Republic of Korea (Lotte) with approvals from FIPB / RBI.
Information about the appointee	Particulars
Background details	Mr. Moo Sun Song is a Master of Business Administration with specialization in Finance. Before his appointment as C.F.O of the Company, he was working in Lotte Confectionery Co.Ltd, Korea as a Member of Finance & Accounting team since the year 2001. Prior to his appointment as Whole Time Director, he was working in our Company as Vice President (Supporting Services) & CFO. He is a Korean National.
Past remuneration	Mr. Moo Sun Song was previously drawing a remuneration of Rs. 28.23 lacs (Gross / cost to the Company) per annum
Recognition or awards	He has received awards in recognition of his service from his earlier employers.
Job Profile and Suitability	Mr. Moo Sun Song is a Master of Business Administration in Finance with about 13 years in the field of Finance, Planning, Human Resources Development etc., His experience and expertise in the above fields will benefit the Company to achieve its desired goal.
Remuneration proposed	The terms of the remuneration are detailed in the resolution.
Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin.	The Confectionery industry perse has few companies which are listed and many comparable companies are in private limited category like Perfetti Van Melle India P. Ltd., Parle Products Pvt., Ltd., etc. and information relating to the remuneration profile of the Whole Time Director appointed under the Company law is not available.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There were no pecuniary relationship directly or indirectly with the Company. There are no relationships with the managerial personnel.
Other information	
Reasons of loss or inadequacy of profits	<p>(i) Due to inflation and market conditions, the cost of raw materials and other inputs has been increased. The company is unable to pass on the above increase fully to the customers as the company deals with MRP based products linked with coinage.</p> <p>(ii) The impact of interest on borrowings and associated forex fluctuations thereon made for construction of a plant in Haryana during the year 2014.</p> <p>(iii) The Company is in the process of shifting its focus from 50 paise segment to Re.1 and above segment which affected the sales during the year.</p> <p>For the above reasons, the Company has suffered a loss of Rs.60 lacs as per the unaudited provisional accounts for the period ended 30th September, 2014</p>

Steps taken or proposed to be taken for improvement.	<p>(i) Effective cost management and effective utilization of common resources.</p> <p>(ii) The impact of change over from 50 paise to higher price points will start yielding results in the coming months / year.</p> <p>(iii) Once the Haryana factory becomes operational, it will cater the demand of northern region and lead to reduction of certain variable cost such as logistics cost.</p> <p>(iv) The Company has started bringing new variants in the existing brands to take advantage of the brand awareness.</p>
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Item No : 2

The following information pertaining to **Mr. Milan Wahi** is furnished pursuant to the provisions of Schedule V to the Companies Act, 2013 :

General Information	Particulars
Nature of Industry	Confectionery
Date or expected date of commencement of commercial production.	The Company is in existence since 1954 (The name of the Company has since been changed from Parrys Confectionery Limited to Lotte India Corporation Limited)
In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospectus	Not applicable
Financial performance based on given indicators.	As per the unaudited (provisional) figures for the for the 9 months period ended 30 th September, 2014, the sales achieved was Rs.27535 lakhs and loss was Rs. 60 lakhs.
Foreign investments or collaborators, if any.	98.38 % of the paid up capital of the Company is held by M/s Lotte Confectionery Co., Ltd. Republic of Korea (Lotte) with approvals from FIPB / RBI.
Information about the appointee	Particulars
Background details	Mr. Milan Wahi is a Post Graduate in Science with Post Graduate Diploma and has about 22 years of rich experience in sales and marketing areas.
Past remuneration	Mr. Milan Wahi was previously drawing a remuneration of Rs.69.98 lakhs (Gross / cost to the Company) per annum during his tenure as Managing Director in our Company.
Recognition or awards	He has received awards in recognition of his service from his earlier employers.
Job Profile and Suitability	Mr. Milan Wahi is a Post Graduate in Science with Post Graduate Diploma and has about 22 years of rich experience in Sales & Marketing and served in leading Corporates in Senior Management level. His experience and expertise in the field will benefit the Company to achieve its desired goal.
Remuneration proposed	The terms of the remuneration proposed are detailed in the resolution.
Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin.	The Confectionery industry perse has few companies which are listed and many comparable companies are in private limited category like Perfetti Van Melle India P. Ltd., Parle Products Pvt. Ltd. etc. and information relating to the remuneration profile of the Managing Director appointed under the Company law is not available.

Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There were no pecuniary relationship directly or indirectly with the Company. There are no relationships with the managerial personnel.
Other information	
Reasons of loss or inadequacy of profits	<p>(i) Due to inflation and market conditions, the cost of raw materials and other inputs has been increased. The company is unable to pass on the above increase fully to the customers as the company deals with MRP based products linked with coinage.</p> <p>(ii) The impact of interest on borrowings and associated forex fluctuations thereon made for construction of a plant in Haryana during the year 2014.</p> <p>(iii) The Company is in the process of shifting its focus from 50 paise segment to Re.1 and above segment which affected the sales during the year.</p> <p>For the above reasons, the Company has suffered a loss of Rs.60 lacs as per the unaudited provisional accounts for the period ended 30th September, 2014</p>
Steps taken or proposed to be taken for improvement.	<p>(i) Effective cost management and effective utilization of common resources.</p> <p>(ii) The impact of change over from 50 paise to higher price points will start yielding results in the coming months / year.</p> <p>(iii) Once the Haryana factory becomes operational, it will cater the demand of northern region and lead to reduction of certain variable cost such as logistics cost.</p> <p>(iv) The Company has started bringing new variants in the existing brands to take advantage of the brand awareness.</p>

Item No : 3

The following information pertaining to **Mr. Kyo Hee Kim** is furnished pursuant to the provisions of Schedule V to the Companies Act, 2013 :

General Information	Particulars
Nature of Industry	Confectionery
Date or expected date of commencement of commercial production.	The Company is in existence since 1954 (The name of the Company has since been changed from Parrys Confectionery Limited to Lotte India Corporation Limited)
In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospectus.	Not Applicable
Financial performance based on given indicators.	As per the unaudited (provisional) figures for the for the 9 months period ended 30 th September, 2014, the sales achieved was Rs.27535 lakhs and loss was Rs. 60 lakhs.
Foreign investments or collaborators, if any.	98.38 % of the paid up capital of the Company is held by M/s Lotte Confectionery Co., Ltd. Republic of Korea (Lotte) with approvals from FIPB / RBI.

Information about the appointee	Particulars
Background details	Mr. Kyo Hee Kim is a Bachelor of Arts in Economics with about 20 years of rich experience in the field of Finance, Human resource etc. Prior to his appointment as Whole Time Director, he was working in our Company as General Manager and Vice President (Supporting Services) & C.F.O. Mr.Kyo Hee Kim resigned from the post of Whole Time Director on 20.05.2014.
Past remuneration	Mr. Kyo Hee Kim was previously drawing a remuneration of Rs.39.33 lacs (Gross / cost to the Company) per annum
Recognition or awards	He has received awards in recognition of his service from his earlier employers.
Job Profile and Suitability	Mr. Kyo Hee Kim is a Bachelor of Arts in Economics with about 20 years of rich experience in the field of Finance, Human resource etc. His experience and expertise in the field will benefit the Company to achieve its desired goal.
Remuneration proposed	The terms of the remuneration revised are detailed in the resolution.
Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin.	The Confectionery industry perse has few companies which are listed and many comparable companies are in private limited category like Perfetti Van Melle India P. Ltd., Parle Products Pvt., Ltd., etc. and information relating to the remuneration profile of the Whole Time Director appointed under the Company law is not available.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There were no pecuniary relationship directly or indirectly with the Company. There are no relationships with the managerial personnel.
Other information	
Reasons of loss or inadequacy of profits	<p>(i) Due to inflation and market conditions, the cost of raw materials and other inputs has been increased. The company is unable to pass on the above increase fully to the customers as the company deals with MRP based products linked with coinage.</p> <p>(ii) The impact of interest on borrowings and associated forex fluctuations thereon made for construction of a plant in Haryana during the year 2014.</p> <p>(iii) The Company is in the process of shifting its focus from 50 paise segment to Re.1 and above segment which affected the sales during the year.</p> <p>For the above reasons, the Company has suffered a loss of Rs.60 lacs as per the unaudited provisional accounts for the period ended 30th September, 2014</p>
Steps taken or proposed to be taken for improvement.	<p>(i) Effective cost management and effective utilization of common resources.</p> <p>(ii) The impact of change over from 50 paise to higher price points will start yielding results in the coming months / year.</p> <p>(iii) Once the Haryana factory becomes operational, it will cater the demand of northern region and lead to reduction of certain variable cost such as logistics cost.</p> <p>(iv) The Company has started bringing new variants in the existing brands to take advantage of the brand awareness.</p>

By Order of the Board
For Lotte India Corporation Limited

Chennai
Date: 19.08.2014

T.G.Karthikeyan
Company Secretary

LOTTE INDIA CORPORATION LIMITED

Regd Office : 4/111, Mount Poonamallee Road, Manapakkam, Chennai – 600 089
Phone No.044-45458888; Fax:044-45458800; email: compsecy@lotteindia.com
Corporate Identity Number: U15419TN1954PLC001987; website: www.lotteindia.com

Form No. MGT-12 Ballot Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

S.NO	PARTICULARS	DETAILS
1	Name of the First Named Shareholder (In block letters)	
2	Postal address	
3	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	EQUITY

I hereby exercise my vote in respect of Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No.	Brief Description	No. of shares held by me	(use ✓ mark)	
			I assent to the resolution (APPROVE)	I dissent from the resolution (DISAPPROVE)
1	Appointment of Mr.Moo Sun Song as Whole Time Director for 3 years with effect from 19.08.2014 and also for payment of remuneration in the case of inadequacy or absence of profits.			
2	Payment of revised remuneration to Mr.Milan Wahi, Managing Director with effect from 01.08.2014 and also for payment of remuneration in the case of inadequacy or absence of profits.			
3	Payment of remuneration to Mr.Kyo Hee Kim, Whole Time Director till 20.05.2014 in the case inadequacy or absence of profits.			
4	Appointment of Mr.D.G.Rajan, as an Independent Director for a term of 5 years			
5	Appointment of Ms.Youngmi Lee, as an Independent Director for a term of 5 years			
6	Approval for related party transactions which are not in the Ordinary course of business and / or are not at arm's length etc.			
7	Borrowing in excess of paid up capital and free reserves of the Company.			
8	Creation of Charge / Mortgage on movable and immovable properties of the Company.			

Place:

Date:

(Signature of the Shareholder)

Note: Please read the instructions given in the notice and notes appended thereto.

As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company by sending a email to compsecy@lotteindia.com in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve Annual Reports, Notices and other correspondence in electronic form.

If undelivered please return to

LOTTE INDIA CORPORATION LIMITED

Head Office: No.4/169, Rajiv Gandhi Salai (OMR), Kandanchavadi Chennai – 600 096.