

Orchid Chemicals & Pharmaceuticals Ltd. 'Orchid Towers', 313, Valluvar Kottam High Road,
Nungambakkam, Chennai - 600034, India

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of the members of Orchid Chemicals & Pharmaceuticals Ltd. will be held at Sathguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai - 600 018, Tamil Nadu, India, on Thursday, September 20, 2012 at 10.30 A.M. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2012.
3. To appoint a Director in place of Shri Deepak Vaidya who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

"RESOLVED that M/s. SNB Associates, Chartered Accountants, having ICAI Registration No: 015682N, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS

5. Re-appointment of Chairman & Managing Director

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to the approval of Central Government as may be necessary, consent of the Members be and is hereby accorded to the re-appointment of Shri K Raghavendra Rao as the Chairman & Managing Director of the Company to hold Office for a fresh period of 5 (five) years with effect from July 1, 2012 on such terms and conditions including remuneration as set out below with liberty to the Board to vary, alter and modify such terms and conditions including salary, allowances, perquisites and commission at any time during the tenure of his office as may be agreed to by the Board of Directors and Shri K Raghavendra Rao."

Terms and Conditions of Appointment

1. **Period of Appointment:-** Appointment shall be for a period of 5 (five) years beginning from July 01, 2012 and ending on June 30, 2017
2. **Details of Remuneration:**
 - A) **Salary:-**
Rs 25 lakhs (Rupees Twenty Five lakhs) per month in the grade of Rs 25 lakhs to Rs 50 lakhs per month

- B) **Commission:**
Commission on Net Profits - At the discretion of the Board every year and the amount determined shall be subject to the:-
- availability of net profits of the Company in a particular year, and
- limits laid down in Section 198 & Section 309 of the Act.
- C) **Perquisites and Allowances:**
In addition to salary and commission, Shri K Raghavendra Rao shall be entitled to the following perquisites and allowances:
 - i) Furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with utilities (gas, electricity, water, repairs, security, etc.) thereof.
 - ii) Company maintained chauffeur-driven car.
 - iii) Reimbursement of Medical Expenses incurred for self and his family.
 - iv) Leave Travel Concession - For self and his family once in a year incurred in accordance with the Rules of the Company.
 - v) Club Fees - Fees of clubs shall be reimbursable.
 - vi) Personal Accident Insurance - The premium amount on such insurance cover shall be reimbursable.
 - vii) Ex-gratia, Bonus & Incentive - In accordance with the Rules of the Company.
 - viii) Any other perquisite or allowance as may be agreed to by the Board of Directors and Shri K Raghavendra Rao.

Explanation

- For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
- The provisions for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- Gratuity payable as per rules of the Company and encashment of leave as per Company's policy shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

- For the purposes of perquisites, "family" means the spouse, dependent children and parents of Shri K Raghavendra Rao.

3. Termination of Appointment: This appointment may be terminated by either party by giving six months' notice in writing.

4. Other Terms: Subject to the direction, control and superintendence of the Board of Directors and service rules of the Company, Shri K Raghavendra Rao shall have the responsibility for the overall management of the affairs of the Company and shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board, in the best interests of the Company.

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will continue to pay to the Chairman & Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above subject to the approval of Central Government as required under the applicable laws."

"RESOLVED FURTHER that the Directors on the Board and the Company Secretary of the Company be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board

For Orchid Chemicals & Pharmaceuticals Ltd.

Place : Chennai

Bhoomijha Murali

Date : May 14, 2012

Sr General Manager – Legal & Company Secretary

NOTES:

1. A Member entitled to attend and vote at this Annual General Meeting (AGM) may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the AGM.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting
3. The Register of Members and the Share Transfer Books will remain closed from September 15, 2012 to September 20, 2012, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after September 25, 2012 as under :
 - i) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by National

Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on September 14, 2012;

- ii) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on September 14, 2012.
4. Members are requested to bring their copies of the Annual Report to the Meeting. Please bring the attendance slip with you duly filled in and hand over the same at the entrance of the Meeting hall.
 5. The Dividend amounts, which remain unclaimed for the year 2004-05 and the subsequent years, can be claimed from the Company. Pursuant to Section 205C of the Companies Act, 1956 (the Act) (after the Companies (Amendment) Act, 1999) the amounts which remain unpaid or unclaimed for a period of seven years, shall be transferred to the Investor Education and Protection Fund established under Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. It is hereby notified to the members that once the Dividend amount is transferred to the fund, the same cannot be claimed by the members from the fund established.
 6. (a) Members who hold shares in electronic form are requested to notify any change in their particulars like change in address, bank particulars etc., to their respective Depository Participants immediately.
(b) Members who hold shares in physical form are requested to notify any change in their particulars like change in address, bank particulars etc., to the Registrars viz., M/s Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India.
 7. **The Ministry of Corporate Affairs, Government of India (vide its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognising delivery of Notices/Documents/ Annual Reports etc. to the shareholders through electronic medium. In light of the above, the Company will be sending Notice/ Documents/ Annual Reports etc. to the shareholders in future through email, wherever the Email Id is available; and through other modes of service provided in Section 53 of the Companies Act where email address have not been registered. Accordingly Members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents, M/s Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No. 1, Rama krishna Street, North Usman Road, T. Nagar, Chennai – 600 017, Tamil Nadu, India**

Explanatory Statement
(Under Section 173 (2) of the Companies Act, 1956)

Item No. 5

Shri K Raghavendra Rao was appointed as Managing Director of the Company for a period of 5 years in the 15th Annual General Meeting of your Company held on July 19, 2007 with effect from July 1, 2007. The 5 years tenure of Shri K Raghavendra Rao will expire on June 30, 2012.

Based on the recommendations of Remuneration Committee in their meeting held on May 14, 2012, the Board of Directors at their meeting held on May 14, 2012 reappointed Shri K Raghavendra Rao as the Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from July 1, 2012 on such remuneration as stated in the resolution and subject to the approval of the members in the ensuing Annual General Meeting. The remuneration payable as stated in the aforesaid resolution is subject to overall ceiling of 5 Percent of net profits of the Company as per the provisions of the Act.

A brief resume of Shri K Raghavendra Rao, nature of his expertise in specific functional areas, names of companies in which he holds directorship and membership/chairmanship of Board Committees and relationships between Directors inter-se, as stipulated under Clause 49 of Listing

Agreement with the Stock Exchanges in India, are appended to this Notice. As per the provisions of Companies Act, 1956 appointment of such Managerial personnel requires approval of the shareholders in the general meeting.

Hence the Board commends the resolution as set out in item No.5 of the Notice for your approval.

This may also be treated as a Memorandum of Abstract issued pursuant to the provisions of Section 302 of the Companies Act, 1956.

None of the Directors except Shri K Raghavendra Rao is interested or concerned in the aforesaid resolution.

By Order of the Board
For Orchid Chemicals & Pharmaceuticals Ltd.

Place : Chennai
Date : May 14, 2012

Bhoomijha Murali
Sr General Manager – Legal & Company Secretary