

Notice

NOTICE is hereby given that the 66th Annual General Meeting of NOVARTIS INDIA LIMITED will be held at Hall of Culture, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 on Friday, July 25, 2014 at 11.30 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2014 and the Balance Sheet as on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year ended March 31, 2014.
3. To appoint Mr Ranjit Shahani (holding DIN 00103845) as Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint the Auditors and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s Lovelock and Lewes, (Firm Registration No. 301056E), Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by the Audit Committee of the Board of Directors along with the applicable service tax and reimbursement of travelling and out of pocket expenses incurred by the Auditors on our behalf for the purpose of audit.

Special Business

5. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:
“RESOLVED THAT Mr Dinesh Charak (holding DIN 06827519) who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013 (“the Act”) with effect from May 22, 2014 and holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to retire by rotation.”
6. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 190, 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act, consent of the members be and is hereby accorded to the appointment of Mr Dinesh Charak (holding DIN 06827519) as Whole Time Director of the Company for a period of 5 years commencing from May 22, 2014, on the terms and conditions of appointment and remuneration as follows:

Overall Remuneration

The remuneration payable to Mr Dinesh Charak, in any financial year, shall not exceed 5 per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Managing Director, in any financial year, shall not exceed 10 per cent of the net profits of the Company. In any financial year, during the tenure of Mr Dinesh Charak, if the Company has no profits or its profits are inadequate, then Mr Dinesh Charak will be paid in accordance with the provisions of Schedule V of the Act.

Within the aforesaid ceiling, the remuneration payable to Mr Dinesh Charak shall be as follows:

Salary including perquisites

₹9,489,503 per annum with annual increments effective April 1 of each financial year commencing from April 1, 2015, as may be decided by the Board/Committee of the Board, subject to a ceiling of 20 per cent per annum.

Annual Performance Incentive

As may be decided by the Board/Committee of the Board, subject to a ceiling of 100 per cent of salary.

Other key conditions

- (a) Leave as per rules of the Company, subject to maximum 30 days leave each year with encashment of unavailed leave at the end of his tenure.
 - (b) Group Personal Accident Insurance as per rules of the Company.
 - (c) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Company's policy.
 - (d) Gratuity to be payable as per the Rules of the Company.
 - (e) Employee Stock Option, Stock Grant or any other Stock Linked Incentive Plan whether existing or declared by the Parent company, Novartis AG as per Novartis Group policies and Rules of the Company; the cost thereof will be borne by the Company.
 - (f) He will not be entitled to sitting fees for meetings of the Board/Committees of the Board attended by him.
 - (g) The salary will be subject to all applicable provisions of the Income Tax Act, 1961.
 - (h) The tenure will be subject to termination by 3 months' notice in writing on either side."
7. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:
- "RESOLVED THAT subject to the provisions of Sections 196 and 197 read with Schedule V and 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), consent of the members be and is hereby accorded for the increase in the salary payable to Mr Ranjit Shahani, Vice Chairman and Managing Director (holding DIN 00103845) from ₹8,740,000 per annum to ₹10,250,000 per annum with effect from October 1, 2013 with all other terms and conditions remaining unchanged."
8. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:
- "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Clause 49 of the Listing Agreement, Ms Manisha Girotra (holding DIN 00774574) who was appointed as an Additional Director by the Board of Directors under Section 161 of the Act with effect from May 22, 2014 and holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term up to March 31, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 197 and any other applicable provisions of the Act and the rules made thereunder (including

any statutory modification(s) or re-enactment thereof for the time being in force), Ms Manisha Girotra be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

9. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Clause 49 of the Listing Agreement, Mr Jai Hiremath (holding DIN 00062203), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who, pursuant to the provisions of the Act (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Act is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to March 31, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 197 and any other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Jai Hiremath be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

10. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Clause 49 of the Listing Agreement, Dr Rajendra Nath Mehrotra (holding DIN 00172639), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who, pursuant to the provisions of the Act (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Act, is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to March 31, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 197 and any other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr Rajendra Nath Mehrotra be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

11. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s N. I. Mehta and Co., Cost Accountants (Firm Registration No. 102055) appointed as Cost Auditors by the Board of Directors of the Company, be paid a remuneration of ₹2,75,000 (Rupees Two lakh seventy five thousand only) for the financial year ending March 31, 2015.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

By Order of the Board of Directors

GIRISH TEKCHANDANI
Company Secretary

Registered Office

Sandoz House, Shivsagar Estate
Dr Annie Besant Road, Worli
Mumbai 400 018
May 22, 2014

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“the Meeting”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING PROXY/PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVE(S) TO ATTEND THE MEETING ARE REQUESTED TO SEND TO THE COMPANY, A DULY CERTIFIED BOARD RESOLUTION AUTHORIZING THEIR SAID REPRESENTATIVE(S) TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN AGGREGATE NOT MORE THAN 10 PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10 PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. In compliance with the provisions of Section 108 of the Companies Act, 2013 (“the Act”) and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to its members to exercise their vote at the Meeting through e-voting. Please refer to the instructions which are being sent along with Annual Report.
4. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books will remain closed on all days from Friday, July 18, 2014 to Friday, July 25, 2014 both days inclusive.
5. Payment of dividend for the year ended March 31, 2014 as recommended by the Board, if approved at the Meeting, will be payable on or after July 30, 2014 in respect of shares held in physical form to those members whose names appear in the Company’s Register of members as on July 18, 2014 and in respect of shares held in electronic form, to those who are “deemed members” whose names appear in the statement of beneficial owners furnished by National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) at the close of business hours on July 17, 2014.
6. Pursuant to the provision of Sections 205A and 205C of the Companies Act, 1956, the dividends, which remain unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend account are required to be transferred to the Investor Education and Protection Fund (“IEPF”) established by the Central Government. Unclaimed Dividend for the financial year ended March 31, 2006 and March 31, 2007 has been transferred to IEPF.

Members who have not encashed the dividend warrant(s) for the financial year ended March 31, 2008 onwards are requested to make their claims directly to the Company or to M/s Sharepro Services (India) Private Limited, without any delay.

Due date for transfer of unclaimed dividend to IEPF

Year	Dividend rate per share (₹)	Date of declaration	Due date for transfer to IEPF
2007-08	10	16.07.2008	22.08.2015
2008-09	10	17.07.2009	23.08.2016
2009-10	10	30.07.2010	05.09.2017
2010-11	10	26.07.2011	01.09.2018
2011-12	10	25.07.2012	30.08.2019
2012-13	10	25.07.2013	30.08.2020

7. Members/Proxies are requested to bring the attendance slip along with their copy of the Annual Report to the Meeting.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least seven days before the date of the Meeting, so that the information required may be made available at the Meeting.
9. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better service:
 - i. Any change in their address
 - ii. Particulars of their bank accounts in case the same have not been sent earlier, for dividend payment through ECS mode and
 - iii. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such holdings into one account.
10. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories, viz. NSDL and CDSL will be printed on the dividend warrants. Members are requested to inform the concerned Depository Participants of any change in address, dividend mandate, etc.
11. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH. 13 for this purpose.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company's Registrar and Transfer Agents for receiving communication from the Company in electronic form.
13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, additional information relating to the Director who retires by rotation and recommended for re-appointment at the Meeting is as follows:

Re-appointment of Mr Ranjit Shahani (Item No. 3)

Mr Ranjit Shahani has been on the Board of the Company from November 1, 2002. He is a mechanical engineer from IIT Kanpur and MBA from JBIMS, Mumbai. He started his career with ICI in India in their businesses of fibres and specialty chemicals. Later, he rose to the position of General Manager with ICI/Zeneca in the U.K., overseeing their Asia Pacific and LatAm operations for their petrochemicals and plastics division. This was followed by a period as CEO at Roche Products Limited after which he moved to Novartis India Limited in 1997. Mr Ranjit Shahani was President of the Organisation of Pharmaceutical Producers of India till 2013 and is President of the Swiss Indian Chamber of Commerce India.

Mr Ranjit Shahani does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is Director of Novartis Comprehensive Leprosy Care Association, Octopus Steel Private Limited, Organization of Pharmaceutical Producers of India and Swiss Indian Chamber of Commerce India and member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of Novartis India Limited.

The additional information relating to other Directors recommended for appointment at the Meeting as Independent Directors and Whole Time Director is provided in the respective explanatory statement which is part of this Notice.

Explanatory Statement

[Pursuant to Section 102(1) of the Act, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 5 to 11 of the accompanying Notice dated May 22, 2014 convening the 66th Annual General Meeting of the Company held on July 25, 2014]

Item Nos. 5 and 6

The Board of Directors of the Company appointed Mr Dinesh Charak as an Additional Director and Whole Time Director for a period of 5 years with effect from May 22, 2014. Pursuant to the provisions of Section 161 of the Act, Mr Dinesh Charak will hold the office of a Director up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 160 of the Act proposing the candidature of Mr Dinesh Charak for the office of Director.

Mr Dinesh Charak has a Bachelor's of Arts and a Bachelor's in Legislative Law from the National Law School of India, Bengaluru. He joined Novartis on July 23, 2013 as General Counsel. He has over 18 years of legal experience in various corporate and consulting assignments. His previous assignments include Wipro G E Healthcare Private Limited, Biocon Limited, Manipal Group, Nokia India Private Limited and a law firm.

The remuneration payable to Mr Dinesh Charak is within the permissible limits specified by the Act and is commensurate with his responsibilities of heading a Company of this size with its diversified business operations.

The draft agreement between the Company and Mr Dinesh Charak is open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General Meeting or any adjournment thereof.

Mr Dinesh Charak is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

Mr Dinesh Charak does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is not a Director in any company other than Novartis India Limited. He is member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of Novartis India Limited.

An Ordinary Resolution in terms as set out in Item Nos. 5 and 6 of the accompanying Notice is placed before the members in the Meeting for approval.

Except Mr Dinesh Charak, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in this Resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 7

Mr Ranjit Shahani was appointed Vice Chairman and Managing Director for a period of 5 years commencing from November 1, 2010 and the terms and conditions of appointment, including remuneration were approved by the members at the 62nd Annual General Meeting of the Company held on July 30, 2010. The members of the Company had authorized the Board to decide the annual increment in salary of Mr Ranjit Shahani, effective April 1 of each year, commencing from April 1, 2011 subject to a ceiling of 20 per cent per annum.

The Board of Directors of the Company at its meeting held on January 23, 2014, subject to the approval of the members of the Company, approved increase in the salary payable to Mr Ranjit Shahani from ₹8,740,000 per annum to ₹10,250,000 per annum with effect from October 1, 2013 i.e. mid-term increment in salary. The increase in salary was within the authority of the Board of Directors; however the increase in salary was made effective from October 1, 2013 instead of April 1, 2014.

Except increase in the salary, the other terms and conditions of his appointment as approved by the members at the 62nd Annual General Meeting of the Company remained unchanged.

In compliance with the applicable provisions of the Act, Ordinary Resolution in the terms as set out in Item No. 7 of the accompanying Notice is placed before the members in the Meeting for their approval.

Except Mr Ranjit Shahani, none of the Directors or KMP of the Company or their relatives are concerned or interested, financial or otherwise, in this Resolution.

Item No. 8

The Board of Directors of the Company appointed Ms Manisha Girotra as an Additional Director with effect from May 22, 2014. Pursuant to the provisions of Section 161 of the Act, Ms Girotra will hold the office of a Director up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 160 of the Act, proposing the candidature of Ms Girotra for the office of Director.

Ms Manisha Girotra is a graduate in Economics from St. Stephen's College, Delhi. She was awarded the Dr Manmohan Singh Medal for academic excellence for her Master's Degree from Delhi School of Economics. She is Chief Executive Officer of Moelis & Company in India. She was previously Chairperson and Country Head for UBS in India, with a career spanning 16 years with UBS in Mumbai, Delhi and London. Prior to UBS, Ms Girotra ran Barclays de Zoete Wedd's investment bank activities in Delhi. She was nominated 'Young Global Leader (YGL)' 2010 by the World Economic Forum and 'Fortune's Most Powerful Women in Business Club' in 2011. She was named as one of the '15 Women to Watch in Asia' by Forbes in 2008 and '50 Women to Watch' by the Wall Street Journal in 2007.

Ms Manisha Girotra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Ms Manisha Girotra fulfils the conditions specified in Section 152 of the Act and rules made thereunder for her appointment as Independent Director of the Company and is independent of the management.

The draft letter for appointment of Ms Manisha Girotra as an Independent Director setting out terms and conditions is open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General Meeting or any adjournment thereof.

Ms Manisha Girotra does not hold by herself or for any other person on a beneficial basis, any shares in the Company. She is Managing Director of Moelis & Company India Private Limited and Director in Technip France. She is member of the Corporate Social Responsibility Committee of Novartis India Limited.

An Ordinary Resolution in terms as set out in Item No. 8 of the accompanying Notice is placed before the members in the Meeting for approval.

Except Ms Manisha Girotra, being an appointee, none of the Directors or KMP of the Company or their relatives are concerned or interested, financial or otherwise, in this Resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 9

Mr Jai Hiremath is Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on January 28, 2006.

Mr Jai Hiremath is the Founder and Chairman & Managing Director of Hikal Ltd. He is a Chartered Accountant from England & Wales. He has completed the 'Owner President Management Program' at Harvard University, Boston, USA. He was also awarded 'Chemtech Business Leader of the Year Award (Chemicals) 2005'. In the year 2000, he was nominated for Ernst & Young entrepreneur of the year award. He is currently Board member on The Drug, Chemical and Associated Technology Association (DCAT), member of the Executive Committee of India Chemical Council, Board member of National Safety Council of India, member of the National Committee on Chemicals of Confederation of Indian Industries (CII), member of the National Chemicals Committee of Federation of Indian Chambers of Commerce & Industry (FICCI) and member of FICCI executive committee of Maharashtra State Council.

Mr Jai Hiremath is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Act, it is required that Independent Directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Act, Mr Jai Hiremath being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term up to March 31, 2019. A notice has been received from a member proposing Mr Jai Hiremath as a candidate for the office of Director of the Company.

Mr Jai Hiremath is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr Jai Hiremath fulfils the conditions specified in Section 152 of the Act and rules made thereunder for his appointment as Independent Director of the Company and is independent of the management.

The draft letter for appointment of Mr Jai Hiremath as an Independent Director setting out terms and conditions is open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General Meeting or any adjournment thereof.

Mr Jai Hiremath does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is also Director of Acoris Research Limited, Decent Electronics Private Limited, Ekadant Investment Private Limited, Karad Engineering Consultancy Private Limited, Shri Rameshwara Investment Private Limited, Shri Badrinath Investment Private Limited, Iris Investment Private Limited and Rushabh Capital Services Private Limited and member of the Share Transfer Committee of Hikal Limited and member of the Audit Committee and Nomination and Remuneration Committee of Novartis India Limited.

An Ordinary Resolution in terms as set out in Item No. 9 of the accompanying Notice is placed before the members in the Meeting for approval.

Except Mr Jai Hiremath, being an appointee, none of the Directors or KMP of the Company or their relatives are concerned or interested, financial or otherwise, in this Resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 10

Dr Rajendra Nath Mehrotra is Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on May 30, 2000.

Dr Rajendra Nath Mehrotra is an Electrical and Mechanical Engineer with Masters in Management and Doctorate. He has a rich experience in various functions. He retired from the United Nations International Labour Organisation (ILO) as Senior Specialist on Employers' activities for South Asia. He is also on the Board of PAE Limited.

Dr Rajendra Nath Mehrotra is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Act, it is required that Independent Directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Act, Dr Rajendra Nath Mehrotra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term up to March 31, 2019. A notice has been received from a member proposing Dr Rajendra Nath Mehrotra as a candidate for the office of Director of the Company.

Dr Rajendra Nath Mehrotra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Dr Rajendra Nath Mehrotra fulfils the conditions specified in Section 152 of the Act and rules made thereunder for his appointment as Independent Director of the Company and is independent of the management.

The draft letter for appointment of Dr Rajendra Nath Mehrotra as an Independent Director setting out terms and conditions is open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General Meeting or any adjournment thereof.

Dr Rajendra Nath Mehrotra holds 270 shares in the Company. He is a Director in PAE Limited and member of the Remuneration Committee of PAE Limited and member of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of Novartis India Limited.

An Ordinary Resolution in terms as set out in Item No. 10 of the accompanying Notice is placed before the members in the Meeting for approval.

Except Dr Rajendra Nath Mehrotra, being an appointee, none of the Directors or KMP of the Company or their relatives are concerned or interested, financial or otherwise, in this resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 11

M/s N. I. Mehta and Co., Cost Accountants, are appointed as Cost Auditors of the Company to audit the accounts relating to drug formulations for the financial year ending March 31, 2015.

Remuneration payable to M/s N. I. Mehta, Cost Auditors of the Company for the financial year ended March 31, 2015, was recommended by the Audit Committee to the Board and subsequently, was considered and approved by the Board of Directors at its meeting held on May 22, 2014.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

None of the Directors or KMP of the Company or their relatives are concerned or interested, financial or otherwise, in this Resolution.

By Order of the Board of Directors

GIRISH TEKCHANDANI
Company Secretary

Registered Office

Sandoz House, Shivsagar Estate
Dr Annie Besant Road, Worli
Mumbai 400 018
May 22, 2014