

May 07, 2018

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Mumbai 400 051

Bombay Stock Exchange Limited
1st Floor, Rotunda Building, Dalal
Street, Fort, Mumbai 400 001

Dear Sir,

Subject: Notice of 51st Annual General Meeting of Merck Limited.

With reference to the above please find enclosed herewith the Notice of 51st Annual General Meeting of Merck Limited scheduled to be held on Friday, June 01, 2018 at 3 p.m. at Sunville Banquets, 3rd Floor, Royal Room, Dr. Annie Besant Road, Worli, Mumbai 400 018.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **MERCK LIMITED**

Vikas R. Gupta
General Counsel & Company Secretary
Encl: As Above



Merck Limited

Registered Office
Godrej One, 8th Floor, Pirojshanagar
Eastern Express Highway, Vikhroli East
Mumbai 400079, India.
Phone +91 22 62109000
Fax +91 22 62109999
www.merck.co.in
CIN: L99999MH1967PLC013726



Email: CorpSec@merckgroup.com

Notice of Annual General Meeting

NOTICE is hereby given that the Fifty First Annual General Meeting of the Members of Merck Limited will be held on Friday, June 01, 2018 at 3 p.m. at Sunville Banquets, 3rd Floor, Royal Room, Dr. Annie Besant Road, Worli, Mumbai 400 018 to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2017, together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year 2017.
3. To appoint a Director in place of Mr. N. Krishnan (DIN: 01027659) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as

ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Milind Thatte (DIN: 08092990) who was appointed as an Additional Director of the Company by the Board of Directors be and is hereby appointed as a Director of the Company”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196 and 197 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Milind Thatte as the Managing Director of the Company for a period of five years from April 01, 2018 until March 31, 2023 on the terms and conditions as set out in the Agreement dated March 27, 2018 entered into between him and the Company, an extract of which is placed in the explanatory statement attached hereto with the liberty to the Board of Directors of the Company to alter and vary the terms and conditions of appointment and/or remuneration, subject the same is within the limits as approved by the shareholders.

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Milind

Thatte, the remuneration by way of salary, bonus, commission and other allowances not exceeding the limits specified under section II, Part II of Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

5. 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 section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder, as amended from time to time, and pursuant to the approval of Members at the 50th Annual General Meeting, the appointment of M/S Haribhakti & Co LLP, Chartered Accountants, Firm Registration No. 103523W/W100048 be and is hereby ratified to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM of the Company at such remuneration plus service tax, out-of-pocket and travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED that pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), and applicable regulations of SEBI, if any, as amended from time to time, a sum not exceeding one percent (1%) per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing January 1, 2018

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7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the consent of the Company be and is hereby given for payment of remuneration of Rs. 2,00,000/- (Rupee Two lacs only) plus applicable taxes and out of pocket expenses for conducting audit of the cost records of the Company for the financial year 2018 to, M/s. Joshi Apte & Associates, Cost Accountants Firm Registration No: 00240 who were appointed as Cost Auditor of the Company by the Board of Directors at its meeting held on February 22, 2018.”

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) or any of their delegate, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of the Regulation 23 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 (“Listing Regulations”) and other applicable provisions if any, including any statutory modification or re-enactment thereto, approval of the Company be and is hereby accorded to the Board of Directors to enter into agreement or transactions or arrangement with Merck KGaA, Germany, a related party, as defined in the Companies Act, 2013 and the Listing Regulations for purchase, sale, import and export of products, services, technical consultancy services, intellectual property rights, royalty, IT services, reimbursement/recovery cost or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and Merck KGaA for an amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores only) during the financial year 2018.

RESOLVED FURTHER THAT the Board of Directors or any committee or any of their delegate thereof be and is hereby authorised to do all such acts, deeds, matters and things, and to finalise the terms and conditions as may be necessary to give effect to this Resolution.”

NOTES:

1. Members’ right to appoint proxy: **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**

The instrument appointing proxies in order to be effective must be received at the Registered Office of the Company not less than Forty-Eight (48) hours before commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Explanatory Statement for the Special Business:

The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of the Item No. 4 to 8 of the Notice are annexed.

4. The relevant details, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the director seeking appointment/re-appointment are also annexed.
5. Book Closure Dates: The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, May 23, 2018 to Friday, June 01, 2018 (both days inclusive for the purpose of Annual General Meeting and for payment of dividend if declared at the AGM.
6. If the dividend as recommended by the Board of Directors is approved at the Annual General

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Meeting, payment of such dividend will be made on or before Saturday, June 30, 2018 as under:

- a. To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on Tuesday, May 22, 2018 ;
 - b. 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 Tuesday, May 22, 2018
7. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories. The Company will not entertain any direct request from such Members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their depository participants.
 8. Dividend of prior years: In terms of Sections 124 of the Companies Act, 2013, the dividend which remains unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the "Investor Education and Protection Fund" established by the Central Government. According to the relevant provisions of the Companies Act, 2013, no claim shall lie against the said Fund or the Company for the amount of dividend so transferred to the said Fund. Accordingly dividend upto the financial year December 31, 2009 and interim dividend declared during the financial year 2010 have been transferred to "Investor Education and Protection Fund". A list of shareholders whose unclaimed dividend has been transferred is available on Company's website www.merck.co.in. Members who have not encashed the dividend warrant(s) so far for the year ended December 31, 2012 or any subsequent years are requested to send their claims directly to the Company or to M/s. Karvy Computershare Private Ltd. (hereinafter referred to as 'Karvy') whose contact details are given at the end of this notice.
 9. In terms of the provisions of Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company was required to transfer all such equity shares in respect of which dividend has not been claimed by the shareholders for the last seven or more consecutive years to Investor Education & Protection Fund (IEPF Fund). In terms of the Ministry of Corporate Affairs' notification dated October 13, 2017 the process of transfer of such shares was prescribed and accordingly the Company has transferred on November 30, 2017, 39,393 equity shares of Rs. 10 each of the shareholders who have not claimed or encashed their dividend declared by the Company for seven or more consecutive years i.e. the dividend declared and paid upto the financial year ending on 31-Dec-2009. The Company uploaded the details of the aforesaid transfer of shares on IEPF's website and on the website of the Company, www.merck.co.in. The shareholders can approach IEPF authority to reclaim their shares. The process for reclaiming such shares is given on the IEPF authority's website, a link to the same is also given on the investor's page of the Company's website.
 10. Change of Address: Members are requested to notify any change of address and bank details to their depository participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the secretarial department at the registered office of the Company or to Karvy.
 11. Joint Holding: Members are informed that in case of joint holders attending the Meeting; only one such joint holder whose name appears first in the joint holder list will be entitled to vote.
 11. In compliance with the provisions of section 108 of the Companies Act, 2013, the Rules framed

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thereunder and Regulation 44 (1) of the SEBI Listing Regulations the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice. All shareholders holding shares as on Friday, May 25, 2018 being the cut-off date (i.e. record date for the purpose of Rule 20(3) (vii) of the Companies (Management and Administration) Rules, 2014) fixed for determining voting rights of members will be entitled to participate in e-voting process.

12. The Annual Report 2017 circulated to the Members of the Company, will be made available on the Company's website, www.merck.co.in and on the website of the respective stock exchanges at www.bseindia.com & www.nseindia.com
13. All documents referred to in the accompanying Notice and Statement setting out material facts are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon up to the date of the 51st Annual General Meeting.
14. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Report of the Company for the Financial Year 2017 and this Notice inter-alia indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by email, unless any Member has requested for a physical copy of the same, to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories.

Instructions for E-voting

Voting through electronic means

- (1) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed

to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- (2) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- (3) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (4) The remote e-voting period commences on Tuesday May 29, 2018 at 9.00 am and ends on Thursday, May 31, 2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, May 25, 2018, may cast their vote by remote e-voting. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (5) The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Logging to NSDL e-voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-voting system

Details of Step 1 is mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

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3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

Your User ID is:

- a) For Members who hold shares in demat account with NSDL.

8 Character DP ID followed by 8 Digit Client ID

For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

- b) For Members who hold shares in demat account with CDSL.

16 Digit Beneficiary ID

For example if your Beneficiary ID is 12***** then your user ID is 12*****.

- c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company

For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter

the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details of Step 2 is mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

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1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting@sarafandassociates.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- (6) You can also update your mobile number and e-mail id in the user profile details of the folio for future communication(s).
- (7) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, May 25, 2018.
Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Friday, May 25, 2018 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- (8) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (9) M/s. Saraf & Associates, Practicing Company Secretaries, represented by Mr. Kamalax Saraf, Proprietor, holding COP No. 1596 has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (10) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (11) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence

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of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- (12) The Results declared along with the report of the Scrutinizer will be placed on the website of the Company, www.merck.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to BSE Limited, Mumbai and National Stock Exchange of India Limited.

REQUEST TO THE MEMBERS:

1. *Request for additional information if required:* Members desiring any relevant information on the accounts at the AGM are requested to write to the Company well in advance to ensure that such requests reach the Company at least seven days before the date of the meeting, so as to enable the Company to keep the information ready. As a measure of economy, copies of the Annual Report will not be distributed at the AGM.
2. *Electronic delivery of Annual Report:* Pursuant to Section 101 of the Act read with applicable rules, the Annual Report for the year 2017 is being sent through electronic mode to all those Members whose Email IDs are registered with the Company or Depository Participants at the Email ID so provided. For Members who have not registered their Email ID with the Company or Depository Participants, a physical copy of the Annual Report for the year 2017 is being sent by permitted mode of communication.
3. *Green Initiative:* Members are requested to bring their copies of the Annual Report to the Meeting.

We request you to provide your email address to us in any of the following ways:

- a) Register your email address with your depository: In case you are holding shares in electronic form please provide your Email ID to your depository participant (DP). We'll download the same from the depository at the time of finalizing the mailing list. or

- b) Write to us: You may provide your Email ID details in a simple letter addressed either to the secretarial department of the Company or to Karvy at the address given below.
- c) Members holding shares in dematerialised form are requested to intimate all changes relating to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.
- d) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Karvy, for assistance in this regard.

Contact Details:

Merck Limited
Mr. Jeevan Mondkar
Manager – Legal & Secretarial Department
Godrej One, 8th Floor, Pirojshanagar
Eastern Express Highway, Vikhroli (East),
Mumbai – 400 079
Phone: 022-6210 9000
Email: jeevan.mondkar@merckgroup.com
Website: www.merck.co.in

Karvy Computershare Private Limited

Unit – Merck Limited
Karvy Selenium, Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500032 Phone: +91 040 23420814
Email: satish.chavan@karvy.com
Website: www.karvycomputershare.com

Notice of Annual General Meeting

EXPLANATORY STATEMENT:

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee at its Meeting held on March 27, 2018 appointed Mr. Milind Thatte as an Additional Director of the Company with effect from April 01, 2018 pursuant to section 161 (1) of the Companies Act, 2013, read with Article 114 of the Articles of Association of the Company. In terms of provisions of section 160 of the Act Mr. Thatte, being eligible has offered himself as director of the Company. In terms of the provisions of section 161(1) of the Act, Mr. Thatte holds office up to the date of the ensuing Annual General Meeting and is liable to retire by rotation

The Company has received a notice in writing from a member of the Company proposing candidature of Mr. Thatte as Director of the Company.

Board also appointed Mr. Thatte as the Managing Director of the Company for a period of five years from April 01, 2018 to March 31, 2023, subject to the approval of the members in general meeting.

The material terms as approved by the Board and the contract dated March 27, 2018 entered into between the Company and Mr. Thatte are as under:

- I Period: From April 01, 2018 to March 31, 2023
- II Mr. Milind Thatte shall be in charge of the day to day management of the Company.
- III The total remuneration payable to Mr. Milind Thatte shall be as follows:
 - (i) Salary & Incentives: For the period of appointment as stated above, the aggregate remuneration payable to Mr. Milind Thatte by way of salary and incentive including bonus shall be a maximum of Rs.10 million (Rupees Ten million) per annum, subject to such amount as may be fixed by the Board of Directors for each year or part thereof.
 - (ii) Perquisites and other allowances : In addition to the above remuneration Mr. Milind Thatte would also be entitled to perquisites as per

the Company policy including furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, furnishings and domestic assistance, use of company car with driver, telephone at residence, children's education allowance, leave travel concession for self and family, medical reimbursement, fees of clubs, settling-in allowance, mobility allowance, club membership, moving expenses, home trip allowance, pets allowance and other allowance personal accident insurance paid in accordance with the Rules of the Company, etc., The aggregate value of such perquisites and allowances shall not exceed Rs. 10 million (Rupees Ten million) per annum, subject to such amounts as may be fixed by the Board of Directors for each year or part thereof. For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

In addition, Mr. Milind Thatte shall be entitled to encashment of earned/privilege leave as per Rules of the Company and the Company shall pay and reimburse to the Managing Director all reasonable expenses and charges incurred by him for and on behalf of the Company.

- IV. The Agreement may be terminated by either party by giving to the other party three months' notice.
- V. If at any time, Mr. Milind Thatte, Managing Director is disqualified/ ceased to be Director of the Company, for any cause whatsoever, he will vacate the office of Managing Director of the Company.

The Agreement entered into by the Company with Mr. Milind Thatte is open to inspection by Members at the Registered Office of the Company between 10.00 am and 12.00 noon on all days except Saturdays and Sundays and public holidays, up to and including the day of the Annual General Meeting.

Except Mr. Milind Thatte no other Director or key management personnel or their respective relatives are concerned or interested in the Resolution.

A brief profile of Mr. Milind Thatte, is placed in the annexure attached hereto.

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The Board recommends the resolution set forth at item No. 4 of the Notice for approval of the Members of the Company.

Item No. 5

The shareholders at the 50th AGM held on May 31, 2017 approved the appointment of M/s. Haribhakti & Co. LLP, as the statutory auditors of the Company for a period of five years. However, this appointment is subject to ratification by the shareholders at every subsequent AGM. Accordingly, the Board of Directors of the Company at its meeting held on February 22, 2018 has considered and recommended the ratification of appointment of M/s Haribhakti & Co. LLP as auditor of the Company for the financial year ending December 31, 2018 to hold office until the conclusion of Annual General Meeting to be held in the year 2019.

The Board recommends the resolution no. 5 to be passed by members.

None of the directors or key managerial personnel of the company or their relatives are concerned or interested in this resolution.

Item No. 6

In terms of the provisions of Section 197 of the Companies Act, 2013, the total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of its net profits. Further, the section also states that where the company has either a managing director or whole-time director or manager, then a maximum of 1% of its net profits, computed in accordance with the provisions of section 198 of the Act, can be paid as remuneration to its non-executive directors (NEDs). The Company may pay to NEDs by way of commission or remuneration by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other.

The members at their earlier meeting held on March 15, 2012 had approved payment of commission etc. to NEDs subject to the condition that the aggregate of such payments to all NEDs shall not exceed 1% of net profit of the Company. The actual payment to NEDs is decided by the Board of Directors on year to year basis depending upon the prevailing market practice, director participation, time spent and their respective contribution.

The Board of Directors at their meeting held on March 27, 2018 has recommended for approval of the members the payment of commission etc to NEDs subject to the condition that the aggregate of such sum shall not exceed 1% of net profit of the Company, for each year, for a period of five years, to be calculated in accordance with Section 198 of the Act, commencing January 1, 2018.

The Board recommends the resolution no. 6 to be passed by members.

None of the directors or key managerial personnel of the company or their relatives are concerned or interested in this resolution except the non-executive, independent directors who may be considered as interested to the extent that this resolution relates to payment of commission to them.

Item No. 7

The Board of Directors in its meeting held on February 22, 2018, on the recommendation of the Audit Committee had appointed M/s. Joshi Apte and Associates, Cost Accountants and recommended payment of a remuneration of Rs. 2,00,000/- (Rupees two lacs only) plus applicable taxes and out of pocket expenses for conducting audit of the cost records of the Company as applicable to the company for the year 2018. As per the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the remuneration to be paid to the cost auditors is subject to ratification by the members of the Company.

The Board therefore recommends the resolution under Section 148 of the Companies Act, 2013 as an ordinary resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, in this Resolution.

Item No: 8

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, is likely to exceed ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Notice of Annual General Meeting

The Company, inter-alia, is engaged in the business of manufacturing, marketing, trading, distribution, imports, exports of pharmaceutical and chemical products. The Company in its ordinary course of business purchase, sale, import, export various products and services from and to Merck KGaA and its various affiliates, subsidiaries, associates companies.

Merck KGaA is a 'Related Party' within the meaning of section 2(76) of the Companies Act, 2013 and Regulation 2 (zb) of the Listing Regulations.

The aggregate value of the total transaction of purchase, sale, import and export of products, services, technical consultancy services, intellectual property rights, royalty, IT services, reimbursement/recovery cost or other obligations with Merck KGaA may exceed the materiality threshold i.e. 10% of the annual turnover of the Company, therefore, in terms of provisions of the Listing Regulations, the Company would require the approval of the members by way of an ordinary resolution. The estimated aggregate value of the transactions with Merck KGaA may be approximately Rs. 300 crores during the financial year 2018.

These transactions with Merck KGaA will be in the ordinary course of business of the Company and will be on arm's length basis. The Audit Committee in its meeting held on February 22, 2018, subject to approval by the shareholders, has accorded omnibus approval for entering into such transactions with Merck KGaA.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set forth at item No. 8 of the Notice for approval of the Members of the Company.

By Order of the Board of Directors

Vikas R. Gupta

General Counsel & Company Secretary

Mumbai, March 27, 2018

Registered Office:

Godrej One, 8th Floor,

Pirojshanagar,

Eastern Express Highway,

Vikhroli (East)

Mumbai – 4000 79

CIN: L99999MH1967PLC013726

Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting.

Particulars	N. Krishnan*	Milind Thatte
Date of birth:	December 03, 1969	March 30, 1969
Appointed on	October 21, 2017	April 01, 2018
Qualifications	B. Com, CWA,	M.Pharm. Sci., M.B.A
Expertise in specific areas	Finance, Taxation, Treasury	Sales & Marketing, Business Development, Commercial Excellence, Market Research and Formulation R&D
Directorships in other public companies	Nil	Nil
Memberships/ Chairmanships of Committees in other Merck Limited	Nil	Nil
Shareholding in the Company as on 31 December 2017	Nil	Nil

* Details of last drawn remuneration, relationship with other directors, manager and other KMP, if any, and the number of Board meetings attended during the year are given in the Corporate Governance Report forming part of this annual report.