

Innovation helps us find Solutions;  
down to the smallest detail.

## Our Pharmaceutical Business

### Merck Serono Division

Product Portfolio	Therapy Areas
<p>Concor®</p> <p>Neurobion Forte<sup>Tablet</sup></p> <p>Dvion</p> <p>Evion®</p> <p>Carbophage</p> <p>Polybion<sup>Lc</sup></p> <p>Olmighty®</p> <p>Starvog®</p> <p>Met-Neurobion</p> <p>Livogen<sup>HEMTONIC</sup></p> <p>Dvion<sup>Pearl</sup></p> <p>Cosome®</p> <p>Neurobion<sup>Plus</sup></p> <p>Livogen<sup>Coplabs</sup></p> <p>Polybion<sup>CZS</sup></p> <p>Ecobion<sup>Capsules Sachet</sup></p> <p>Livogen<sup>-XT</sup></p> <p>Ostonate</p> <p>Prenone®</p> <p>Immubron</p> <p>Tolflex®</p> <p>Pedimune®</p> <p>Candistat</p> <p>Osto- Polybion<sup>D</sup></p> <p>Livogen<sup>-Z</sup></p> <p>Livogen<sup>Injection</sup></p> <p>Evion<sup>Forte</sup></p>	<p>Diabetes Care</p> <p>Cardiovascular Diseases</p> <p>Health &amp; Nutrition</p> <p>Hematinics</p> <p>Vitamins</p> <p>Women's Health</p> <p>Pain Management</p> <p>Immunity</p> <p>Dermatology</p> <p>Probiotics</p>

PRODUCTS FOR EVERY STAGE OF LIFE



### Merck Consumer Health Division

<p>Nasivion</p> 				<p>Electrobion</p> 
<p>Evion</p> 	<p>Maxepa</p> 	<p>Flexijoints</p> 	<p>femibion</p> 	<p>BION</p> 

# Merck Limited

## Forty-sixth Annual Report and Statement of Accounts 2012

### Board of Directors

Mr. S. N. Talwar  
*Chairman*

Dr. C. Boedecker  
*Managing Director*  
(from 01.08.2012)

Dr. M. Dziki  
*Managing Director*  
(up-to 31.07.2012)

Mr. H. C. H. Bhabha

Mr. E. A. Kshirsagar

Mr. N. Krishnan  
(from 22.10.2012)

Mr. R. L. Shenoy  
(up-to 30.09.2012)

Mr. P. H. Pimplikar

Dr. Peter-Ulrich Mannheimer  
(from 01.10.2012)

Mr. T. Kneen  
(up-to 30.09.2012)

### Auditors

: B S R & Co.

### Bankers

: Canara Bank  
: Deutsche Bank AG  
: ICICI Bank Limited  
: HDFC Bank Limited

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### Company Secretary

: Mr. Vikas R. Gupta  
(from 01.06.2012)

: Mr. H. U. Shenoy  
(up-to 11.05.2012)

### Registered Office

: Shiv Sagar Estate 'A'  
: Dr. Annie Besant Road  
: Worli, Mumbai-400 018

### Plant Location

: Plot No. 11/1  
: Usgaon, Ponda-403 407  
: Goa

### Registrar & Share Transfer Agents

: Sharepro Services (India) Pvt. Ltd.  
: 13AB, Samhita Warehousing Complex  
: 2nd Floor, Sakinaka Telephone Exchange Lane  
: Andheri-Kurla Road, Sakinaka  
: Mumbai-400 072

# Notice of Annual General Meeting

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NOTICE is hereby given that the Forty-sixth Annual General Meeting of the Members of Merck Limited will be held at Mayfair Banquets – South Hall 254-C, Dr. Annie Besant Road, Worli, Mumbai-400030, on Friday, March 15, 2013 at 3.00 p.m. to transact the following business:

## AS ORDINARY BUSINESS:

1. To receive and adopt the audited Profit and Loss Account for the year ended December 31, 2012, the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend for the year 2012.
3. To appoint a Director in place of Mr. E. A. Kshirsagar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pramod Pimplikar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

## AS SPECIAL BUSINESS:

6. (a) To consider and, if thought fit, to pass, with or without modification, as an ORDINARY RESOLUTION the following:—

“RESOLVED THAT Dr. Claus-Dieter Boedecker be and he is hereby appointed as a Director of the Company.
- (b) RESOLVED THAT subject to the approval of the Central Government and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, approval of the Company be and is hereby accorded to the appointment of Dr. Claus-Dieter Boedecker as Managing Director of the Company for a period of three years with effect from August 01, 2012 on the terms and conditions as set out in the Agreement dated June 27, 2012 entered into between the Company and Dr. Claus-Dieter Boedecker, an extract of which is set out in the explanatory statement attached hereto, with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of appointment and/or remuneration, subject to

the same being 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 Dr. Claus-Dieter Boedecker, the remuneration by way of salary, bonus, commission and other allowances not exceeding the limits specified under para 2 of Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment(s) 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”.

7. (a) To consider and, if thought fit, to pass, with or without modification, as an ORDINARY RESOLUTION the following:—

“RESOLVED THAT Mr. N. Krishnan be and he is hereby appointed as a Director of the Company.

- (b) RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII 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. N. Krishnan as a Whole-time Director of the Company for a period of five years with effect from October 22, 2012 on the terms and conditions as set out in the Agreement dated October 22, 2012 entered into between the Company, an extract of which is set out in the explanatory statement attached hereto with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same being 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. N. Krishnan, the remuneration by way of salary, bonus, commission and other allowances not exceeding the limits specified under para 2 of Section II, Part II of Schedule XIII to the Companies Act, 1956 (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”.



# Notice of Annual General Meeting

8. To consider and, if thought fit, to pass, with or without modification, as a SPECIAL RESOLUTION the following:—

“RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions of the Companies Act, 1956, the Company do hereby approve and consent to the payment of a sum not exceeding one percent (1%) of the net profits of the Company, computed in accordance with the provisions of Section 198 of the Companies Act, 1956, amongst the directors of the Company (other than Managing Director and Whole-time Directors) of such amounts and in such manner as may be decided by the Board of Directors and such payments shall be made in respect of the profits for a period of five years commencing from January 01, 2013 until December 31, 2017”.

By Order of the Board of Directors

Vikas Gupta  
General Counsel & Company Secretary

Mumbai, January 30, 2013

*Registered Office:*

Shiv Sagar Estate 'A'

Dr. Annie Besant Road

Worli, Mumbai-400 018

## 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 48 hours before commencement of the Meeting.
2. *Explanatory Statement for the Special Business:* The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business at Item Nos. 6, 7 and 8 of the Notice is annexed.
3. *Book Closure Dates:* The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, March 09, 2013 to Friday, March 15, 2013 (both days inclusive) for the purpose of Annual General Meeting.
4. *Register of Directors' Shareholding:* The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by members at the Annual General Meeting.
5. *Register of Contracts:* The Register of contract maintained under Section 301 of the Companies Act, 1956 will be available for inspection by members at the Annual General Meeting.
6. *Dividend of prior years:* In terms of Sections 205A and 205C of the Companies Act, 1956, 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, 1956, no claims 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, 2004 have been transferred to "Investor Education and Protection Fund". A list of shareholders whose such unclaimed dividend has been transferred is available on the company's website [www.merck.co.in](http://www.merck.co.in). Members who have not encashed the dividend warrant(s) so far for the year ended December 31, 2005 or any subsequent years are requested to send their claims directly to the Company or to M/s. Sharepro Services (India) Private Ltd. (hereinafter referred to as Sharepro Services) contact details are given at the end of this notice.
7. *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 Sharepro Services.
8. *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.
9. *Appointment of Nominee:* In terms of Section 109A of the Companies Act, 1956, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form 2B, in duplicate, to the secretarial department at the registered office of the Company or to Sharepro Services.

# Notice of Annual General Meeting

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10. *Profile of directors:* A brief profile of the Directors proposed to be appointed and of the directors retiring by rotation and eligible for re-appointment at this annual general meeting is given in the annexure to this Notice.

## REQUEST TO THE MEMBERS:

1. *Request for additional information, if required:* Members desiring any relevant information on the accounts at the annual general meeting 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 annual general meeting.
2. *Green Initiative:* Members are requested to bring their copies of the Annual Report to the Meeting. Company is concerned about the environment and utilizes natural resources in a sustainable way. No copies of the annual report will be circulated at the meeting.

The Ministry of Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted paperless compliances by companies as part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by the MCA, we are sending documents like the notice convening the general meetings, financial statement, directors' report, auditor's report etc. to the email address provided by you with your depositories.

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

1. *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

2. *Register your email id using our web site:* To register your email id for the above purpose you may log on to our web site [www.merck.co.in](http://www.merck.co.in) and on the 'Investors' page you will find an option of registration for Green Initiative. or
3. *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 Sharepro Services at the address given below.

## Contact Details:

Company  
Ms. Prachi Vichare,  
Assistant Company Secretary,  
Merck Limited  
Dr. A. B. Road  
Shiv Sagar Estate, 'A'  
Worli, Mumbai-400 018.  
Phone: 022-66609000  
email : [prachi.vichare@merckgroup.com](mailto:prachi.vichare@merckgroup.com)

Sharepro Services  
Unit – Merck Limited  
Sharepro Services (India) Private Ltd.  
13 AB, Samhita Warehousing Complex  
2nd Floor, Sakinaka Telephone Exchange Lane  
Andheri-Kurla Road, Sakinaka  
Mumbai-400 072  
Phone: 022-67720300 / 022-67720314  
[sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

# Notice of Annual General Meeting

## EXPLANATORY STATEMENT:

(Pursuant to Section 173(2) of the Companies Act, 1956)

### Item 6:

The Board of Directors of the Company at its meeting held on July 23, 2012 appointed Dr. Claus-Dieter Boedecker as an additional Director of the Company with effect from August 01, 2012, pursuant to Section 260 of the Companies Act, 1956, read with Article 114 of the Articles of Association of the Company. In terms of the provisions of Section 260 of the Act, Dr. Claus-Dieter Boedecker will hold office up to the date of the ensuing annual general meeting. The Company has received a notice in writing from a member along with a deposit of Rs. 500 for proposing the candidature of Dr. Claus-Dieter Boedecker for the office of Director of the Company under the provisions of Section 257 of the Act.

Further the Board also appointed, subject to the approval of the members in general meeting and Central Government, Dr. Claus-Dieter Boedecker as Managing Director of the Company for a period of three years commencing from August 01, 2012.

The material terms of the contract dated June 27, 2012 entered into between the Company and Dr. Claus-Dieter Boedecker are as under:

- I. Period: from August 01, 2012 to July 31, 2015.
- II. Dr. Claus-Dieter Boedecker shall be In-charge of the management of the Company.
- III. The total remuneration payable to Dr. Claus-Dieter Boedecker shall be as follows:
  - (i) Salary & Commission: For the period of appointment as stated above, the aggregate remuneration payable to Dr. Claus-Dieter Boedecker by way of salary and commission shall be a maximum of Rs. 20.00 million (Rupees twenty million) per annum, subject to such limits as may be fixed by the Board of Directors for each year or part thereof and shall be subject to the overall limits laid down in Sections 198 and 309, read with Schedule XIII of the Companies Act, 1956.
  - (ii) Perquisites: In addition to the above remuneration he would 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, personal accident insurance paid in accordance with the Rules of the Company etc., The aggregate value of such perquisites shall not exceed Rs. 20.00 million (Rupees twenty million) per annum, subject to such limits as may be fixed by the Board of Directors for each year or part thereof and shall be subject to the overall limits laid down in Sections 198 and 309 read with Schedule XIII of the Act. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

In addition, Dr. Claus-Dieter Boedecker 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. Confidentiality Clause.
- VI. If at any time, Dr. Claus-Dieter Boedecker, Managing Director is disqualified/ceased to be Director of the Company, for any cause whatsoever, he shall vacate office of Managing Director of the Company.

The Agreement entered into by the Company with Dr. Claus-Dieter Boedecker is open to inspection by Members at the registered office of the Company between 2 p.m. and 4 p.m. on all working days except Saturdays, Sundays and public holidays, up to and including the day of the Annual General Meeting.

Except Dr. Claus-Dieter Boedecker, no other Director is interested in the Resolution.

### Item 7:

The Board of Directors of the Company at its meeting held on October 22, 2012 appointed Mr. N. Krishnan as an additional Director of the Company with effect from October 22, 2012, pursuant to Section 260 of the Companies Act, 1956, read with Article 114 of the Articles of Association of the Company. In terms of the provisions of Section 260 of the Companies Act 1956, Mr. N. Krishnan will hold office up to the date of the ensuing annual general meeting. The Company has received a notice in writing from a member along with a deposit of Rs. 500 for proposing the candidature of Mr. N. Krishnan for the office of Director of the Company under the provisions of Section 257 of the Act.

# Notice of Annual General Meeting

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Further the Board also appointed, subject to the approval of the members in general meeting, Mr. N. Krishnan as Whole-time Director of the Company for a period of five years commencing from October 22, 2012.

The material terms of the contract dated October 22, 2012 entered between the Company and Mr. N. Krishnan are as under:

- I. Period: Five years from October 22, 2012
- II. Mr. N. Krishnan shall be In-charge of Finance, Treasury and Taxation functions of the Company.
- III. The total remuneration payable to Mr. N. Krishnan shall be as follows
  - (i) *Salary & Commission (bonus)* - For the period of appointment as stated above, the aggregate remuneration payable to Mr. N. Krishnan by way of salary and commission shall be a maximum of Rs. 10.00 million (Rupees ten million) per annum, subject to such limits as may be fixed by the Board of Directors for each year or part thereof and shall be subject to the overall limits laid down in Sections 198 and 309, read with Schedule XIII of the Companies Act, 1956.
  - (ii) *Perquisites* - In addition to the above remuneration he would 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, club membership, personal accident insurance paid in accordance with the Rules of the Company etc., the aggregate value of such perquisites shall not exceed Rs. 5.00 million (Rupees five million) per annum, subject to such limits as may be fixed by the Board of Directors for each year or part thereof and shall be subject to the overall limits laid down in Sections 198 and 309 read with Schedule XIII of the Act. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

Additionally, Mr. N. Krishnan shall be entitled to Company contribution to Provident Fund and superannuation funds not exceeding 27% of the salary; Gratuity payment; Encashment of earned/privilege leave as per Company rules; and Reimbursement of expenses incurred on behalf of the Company.

V. The Agreement may be terminated by either party by giving to the other party six months' notice.

VI. Confidentiality Clause.

VII. If at any time, Mr. N. Krishnan Whole-time Director is disqualified/ceased to be Director of the Company, for any cause whatsoever; he shall vacate office of Whole-time Director of the Company.

The Agreement entered into by the Company with Mr. N. Krishnan is open to inspection by Members at the registered office of the Company between 2 p.m. and 4 p.m. on all working days except Saturdays, Sundays and public holidays, up to and including the day of the Annual General Meeting.

Except Mr. N. Krishnan, no other Director is interested in the Resolution.

## Item 8:

The shareholders of the Company at their forty first annual general meeting held on April 16, 2008 had by a special resolution approved the payment of remuneration by way of commission to non-executive independent directors who are neither in the whole time employment of the Company nor a managing director provided such remuneration shall not exceed one percent (1%) of the net profits of the Company for the financial year commencing from December, 2008 and ending in December, 2012.

The present resolution placed at item 8 of the notice proposes to seek the approval of members pursuant to Section 309 of the Companies Act, 1956 for payment of remuneration by way of commission to non-executive independent directors provided the same shall not exceed one percent (1%) of the net profits of the Company annually for a further period of five years commencing from the financial year beginning January 01, 2013 and ending December 31, 2017.

By Order of the Board of Directors

Vikas Gupta  
General Counsel & Company Secretary

Mumbai, January 30, 2013

*Registered Office:*  
Shiv Sagar Estate 'A'  
Dr. Annie Besant Road  
Worli, Mumbai-400 018



# Notice of Annual General Meeting

## Annexure to the Notice of Annual General Meeting

### BRIEF PROFILE OF DIRECTORS PROPOSED TO BE APPOINTED OR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Particulars	Dr. Claus-Dieter Boedecker	Mr. N. Krishnan	Mr. Pramod Pimplikar	Dr. Peter-Ulrich Mannheimer	Mr. E. A. Kshirsagar
Date of birth & Age	23/02/1954 58 years	03/12/1969 43 years	02/10/1959 53 years	23/04/1962 50 years	10/09/1941 71 years
Appointed as director of the Company on	01/08/2012	22/10/2012	01/04/2010	01/10/2012	13/12/2007
Qualifications	He holds a Diploma in Chemistry and Doctorate in Natural Sciences (PhD) from the Ruhr University of Bochum, Germany	B. Com, CWA	M. Pharm, PGD in Production Management	Business Administration with Technical Engineering at Technical University Darmstadt Degree Dipl. Wirtschaftsingenieur	B.Sc., FCA (England & Wales), FCA (India)
Expertise in specific areas	He is doctorate from Ruhr University in Bochum, Germany in analytical chemistry. Since 1985 Dr. Boedecker is associated with Merck group and has been working at various senior positions in the group. Immediately prior to joining the Company Dr.Boedecker was working as President and Managing Director, Merck Limited Taiwan and Merck Display Technologies Limited Taiwan	Finance, Taxation function of the Company	Production Management	Company Management, administration and corporate strategy & planning	Corporate Strategy, Valuation, Disinvestment, Mergers & Acquisitions, Govt. Legislation impact on Business
Directorships held in Public Limited and Private Limited Companies	Merck Specialities Pvt. Limited and Millipore (India) Pvt. Limited	Merck Specialities Pvt. Limited and Millipore (India) Pvt Limited	Merck Specialities Pvt. Limited	He is on the board of various Merck group companies abroad. He does not hold any directorship in any Indian company.	Batliboi Limited, HCL Infosystems Limited, JM Financial Limited, JM Financial Products Limited, Manappuram Finance Limited, Manipal Global Education Services Pvt. Limited, Rallis India Limited, Tata Chemicals Limited, Tata Chemicals Europe Holding Limited, England, Tata Chemicals Magadi Limited, UK, Vama Sundari Investment Pvt. Limited, Mauritius.
Memberships/ Chairmanships of Committees in Public Limited Companies	None	None	None	Nil	Batliboi Limited, JM Financial Limited, Rallis India Limited, HCL Infosystems Limited, Tata Chemicals Limited, JM Financial Products Limited, Manappuram Finance Limited.
Shareholding in the Company	Nil	Nil	Nil	Nil	Nil

# Directors' Report

We are pleased to present the report on our business and operations for the year ended December 31, 2012.

## FINANCIAL HIGHLIGHTS:

	(Rupees million)	
	2012	2011
Income from Operations	6,872.8	5,895.7
Other Income	202.0	168.8
Profit before Interest, Depreciation and Tax	1,257.1	892.8
Interest	0.2	0.2
Depreciation	89.0	79.5
Impairment (reversal)	-	(142.8)
Provision for Taxation (net)	383.9	319.1
Profit after tax	784.0	636.8
Profit available for appropriations	1,457.1	673.1
Appropriations:		
Transfer to General Reserve	78.4	—
Dividend	41.5	—
Balance carried to the Balance Sheet	1,330.5	673.1
EPS		
– Basic	(Rs.) 47.2	38.4
– Diluted	(Rs.) 47.2	38.4

## OPERATIONS:

The operational working of the Company in detail is discussed in the Management Discussion and Analysis Report forming part of this Report. During the financial year ending December 31, 2012 the Company achieved turnover of Rs. 6,580.7 million as against turnover of Rs 5,575.7 million achieved during the previous year, registering a growth of 18%. During the year under report, the Pharmaceuticals segment showed an increase in turnover of 14.4% and the Chemicals segment registered an increase of 26.3% as compared to the respective segment turnover in the preceding financial year.

The Profit after Tax for the year under review was Rs. 784.0 million as against Rs. 636.8 million in 2011, showing an increase of 23%.

The export turnover of the Company during the year 2012 was Rs. 729.8 million as against Rs. 538.9 million achieved in the preceding year.

## SHARE CAPITAL:

Share capital audit as per the directives of the Securities and Exchange Board of India is being conducted on a quarterly basis by K.G. Saraf & Company, Practising

Company Secretaries. The Share Capital Audit Reports are duly forwarded to the Bombay Stock Exchange and National Stock Exchange of India Limited where the equity shares of the Company are listed. During the year ended December 31, 2012 there is no change in issued and subscribed capital of the Company, the outstanding capital as on December 31, 2012 is Rs. 166.0 million comprising of 16.60 million equity shares of Rs. 10 each.

## DIVIDEND:

The Board of Directors has recommended a dividend of Rs. 2.50/- (Rupees two and fifty paise per share only) per equity share of the company for the year 2012. This is subject to the approval of the Members at the ensuing annual general meeting.

## FIXED DEPOSITS:

The Company has not accepted any public deposits from the public or the members during the year 2012.

## DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the annual accounts, the applicable Accounting Standards/Rules have been followed along with proper explanation relating to material departures;
- the accounting policies have been consistently applied and reasonable and prudent judgement and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at December 31, 2012 and the profit for the year ended on that date;
- proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, has been taken for safeguarding the assets of the Company and for detecting and preventing fraud and other irregularities and;
- the annual accounts have been prepared on a going concern basis.

## DIRECTORS:

During the year Dr. Claus-Dieter Boedecker was appointed as Managing Director of the Company for a period of three (3) years effective from August 01, 2012 in place of Dr. Marek Dziki, whose contract of employment expired on July 31, 2012.

The Board appointed Mr. N. Krishnan as Whole-time Director of the Company for a period of five (5) years effective from October 22, 2012 in place of Mr. R. L. Shenoy who ceased to be the Whole-time Director and Chief Financial Officer of the Company upon attaining superannuation.

Terms of appointment of Dr. Claus-Dieter Boedecker and Mr. N. Krishnan are set out in the notice convening annual general meeting.