

MERCK INDIA ANNUAL REPORT 2014

# INNOVATION PROPELS OUR GROWTH



We aspire to  
**MAKE GREAT THINGS HAPPEN**



Not everything we do leads to a breakthrough, but we never lose sight of the human needs that motivate us. With our research-driven specialty businesses, we help patients, customers, partners and our communities around the world live a better life.

**We Deliver Entrepreneurial Success Through Innovation.**





# Merck Limited

## Forty-Eighth Annual Report and Statement of Accounts 2014

### Board of Directors

Mr. S. N. Talwar  
Independent Director – Chairman of the Board

Mr. Anand Nambiar  
Managing Director (appointed w.e.f. 05 February 2015)

Dr. Claus-Dieter Boedecker  
Managing Director (resigned w.e.f. 31 January 2015)

Mr. H. C. H. Bhabha  
Independent Director

Mr. E. A. Kshirsagar  
Independent Director (resigned w.e.f. 13 January 2015)

Mrs. Rani A. Jadhav  
Independent Director (appointed w.e.f. 05 February 2015)

Dr. Peter-Ulrich Mannheimer  
Non-Executive Director

Mr. Pramod H. Pimplikar  
Executive Director – Technical Operations  
(resigned w.e.f. 13 January 2015)

Mr. Brijesh Kapil  
Executive Director – Consumer Health Division  
(appointed w.e.f. 05 February 2015)

Mr. Ali Sleiman  
Executive Director – Merck Serono Division  
(appointed w.e.f. 05 February 2015)

Mr. N. Krishnan  
CFO & Executive Director – Finance

### General Counsel & Company Secretary

Mr. Vikas R. Gupta

### Auditors

B S R & Co. LLP,  
Chartered Accountants

### Bankers

Canara Bank  
Deutsche Bank AG  
ICICI Bank Limited  
HDFC Bank Limited

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### Registered Office

Shiv Sagar Estate 'A'  
Dr. Annie Besant Road  
Worli, Mumbai-400 018  
Phone: +91 22 66609000  
Fax: +91 22 24950307  
Website: www.merck.co.in

### Plant Location

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

### Registrar & Share Transfer Agent

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

### Corporate Identity Number

L99999MH1967PLC013726

# Notice of Annual General Meeting

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of the Members of Merck Limited will be held on Wednesday, April 08, 2015 at 3 p.m. at Sunville Banquets, 3rd Floor, Royal Room, 9, 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, 2014, including the audited Balance Sheet as at December 31, 2014, the statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend for the year 2014.
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** 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, B S R & Co. LLP, Chartered Accountants Firm Registration No.: (101248W/W-100022), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM of the Company to be held in the year 2016, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors".

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) to the Companies Act, 2013, Mr. S.N. Talwar (DIN: 00001456) a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years, commencing from April 08, 2015 to April 07, 2020, not liable to retire by rotation".

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) to the Companies Act, 2013, Mr. H.C.H. Bhabha (DIN: 00286072) a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years, commencing from April 08, 2015 to April 07, 2020, not liable to retire by rotation".

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) to the Companies Act, 2013, Mrs. Rani Ajit Jadhav (DIN: 07070938) a Non-Executive Additional Independent Director of the Company, who has submitted a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years, commencing from April 08, 2015 to April 07, 2020, not liable to retire by rotation".

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

**"RESOLVED THAT** Mr. Anand Nambiar (DIN: 02006594) 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** subject to the approval of the Central Government and 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. Anand Nambiar as the Managing Director of the Company for a period

# Notice of Annual General Meeting

from February 05, 2015 until September 30, 2017 on the terms and conditions as set out in the Agreement dated February 05, 2015 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. Anand Nambiar, 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”.

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

**“RESOLVED THAT** Mr. Brijesh Kapil (DIN: 06949048) 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. Brijesh Kapil as a Wholtime Director of the Company for a period of five years with effect from February 05, 2015 until February 04, 2020 on the terms and conditions as set out in the Agreement dated February 05, 2015 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. Brijesh Kapil, 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”.

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

**“RESOLVED THAT** Mr. Ali Sleiman (DIN:07055130) 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 approval of the Central Government and 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. Ali Sleiman as a Wholtime Director of the Company for a period from February 05, 2015 to September 30, 2017 on the terms and conditions as set out in the Agreement dated February 05, 2015 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. Ali Sleiman, 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”.

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

**“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 lacs

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(Rupees 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 2015 to M/s. Joshi Apte and Associates, Cost Accountants who were appointed as Cost Auditor of the Company by the Board of Directors at its meeting held on February 05, 2015”.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), 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”.

12. 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 the Clause 49 of the Listing Agreement 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 Agreement for purchase, sale, import and export of products, services, technical consultancy services, intellectual property rights, royalty, IT services, reimbursement/recovery cost or other obligations on such terms and conditions as may be mutually agreed upon between the Company and Merck KGaA for an amount not exceeding Rs. 200 crores (Rupees Two Hundred crores only) in each financial year”.

“**RESOLVED FURTHER THAT** the Board of Directors or any committee 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”.

By Order of the Board of Directors

Vikas R. Gupta  
General Counsel & Company Secretary

Mumbai, February 05, 2015

Registered Office:  
Shiv Sagar Estate 'A'  
Dr. Annie Besant Road  
Worli, Mumbai-400 018  
CIN: L99999MH1967PLC013726

## 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 Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Item Nos. 5 to 12 of the Notice is annexed.
4. The relevant details as required under clause 49 of the Listing Agreements entered into with Stock Exchanges, of persons seeking appointment/re-appointment as Directors are also annexed.
5. *Book Closure Dates:* The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, April 06, 2015 to Wednesday, April 08, 2015 (both days inclusive) for the purpose of Annual General Meeting.
6. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or before Thursday, May 07, 2015 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 April 05, 2015;

# Notice of Annual General Meeting

- 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 April 04, 2015.
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 and 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 DPs.
8. *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, 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, 2006 have been transferred to “Investor Education and Protection Fund”. A list of shareholders whose such unclaimed dividend has been transferred is available on 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, 2007 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’) whose contact details are given at the end of this notice.
9. *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.
10. *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 thereunder and Clause 35B of the Listing Agreement 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 February 27, 2015 (end of the day) 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.

## Instructions for E-voting

- A. For members whose email IDs are registered with the Company/Depository Participants will receive an e-mail from NSDL:
  - a) Open the e-mail and also open PDF file sent to you in the email by NSDL. The file will prompt for a password. Kindly input your Client ID or Folio No. as may be applicable in the box prompted for password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that this password is an initial password only.
  - b) Launch Internet browsing by typing the following URL  
<https://www.evoting.nsdl.com>.
  - c) Click on Shareholder – Login.
  - d) Put User ID and password as initial password noted in step (a) above. Click login.
  - e) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or a combination thereof. Note down your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f) Home page of ‘e-voting’ opens. Click on ‘e-voting’- Active Voting Cycles.
  - g) Select “EVEN” of Merck Limited.

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- h) Now you are ready for e-voting as “Cast Vote” page opens.
  - i) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when, prompted.
  - j) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - k) Votes once cast cannot be modified
  - l) 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., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [evoting@sarafandassociates.com](mailto:evoting@sarafandassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case of shareholders’ receiving physical copy of Annual Report initial password will be provided at the bottom of the attendance slip circulated alongwith this Annual Report. Please follow all steps from Sl. No (b) to Sl. No (l) above, to cast vote.
- C. If shareholder is already registered with NSDL for e-voting, then shareholder can use his existing user id and password for casting vote.

The voting period commences from 9.00 a.m. on 2nd April, 2015 and ends at 6.00 p.m. on 4th April, 2015. The e-voting module will be disabled for voting thereafter by NSDL. During this periods the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of February 27, 2015 may cast their votes electronically.

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 “downloads” section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no: 1800-222-990.

The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period will submit his report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results declared along with the Scrutinizer's report will be placed on the Company's website [www.merck.co.in](http://www.merck.co.in) and website of NSDL [www.nsdl.co.in](http://www.nsdl.co.in) within two (2) days of passing

of the resolutions at the 48th Annual General Meeting of the Company and communicated to the Stock Exchanges.

Mr. K.G. Saraf of Saraf and Associates, Practicing Company Secretaries (Membership No. FCS: 1596), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

## 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. Pursuant to Section 101 of the Act read with applicable rules, the Annual report for the year 2014 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 2014 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) *Register your Email ID using our website:* To register your email ID for the above purpose you may log on to our website [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



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- c) *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.
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining 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, Sharepro Services to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Sharepro Services.
5. 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 Sharepro Services, for assistance in this regard.

## Contact Details:

### Company

Merck Limited  
Mr. Jeevan Mondkar  
Manager – Legal & Secretarial Department  
Shiv Sagar Estate, 'A', Dr. Annie Besant Road  
Worli, Mumbai-400 018.  
Phone: 022-66609000  
Email : jeevan.mondkar@merckgroup.com

### Sharepro Services

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

## EXPLANATORY STATEMENT:

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

### Item Nos. 5 to 7:

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Company needs to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation, accordingly, the Company has appointed Mr. S.N. Talwar, Mr. H.C.H. Bhabha and Mrs. Rani Ajit Jadhav as Independent Directors, in compliance with the requirements.

The matter regarding appointment of Mr. S.N. Talwar, Mr. H.C.H. Bhabha and Mrs. Rani Ajit Jadhav as Independent Directors for a term of 5 years was placed before the Nomination and Remuneration Committee and the Board at their meetings held on February 05, 2015 which recommended their appointment as Independent Directors. While recommending the appointment of Mr. S.N. Talwar and Mr. H.C.H. Bhabha the Board has evaluated their performance at its meeting held on February 05, 2015.

Mr. S.N. Talwar, Mr. H.C.H. Bhabha and Mrs. Rani Ajit Jadhav have confirmed that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board the above named directors meet the Independence criteria for appointment as Independent Directors of the Company and they are independent of management of the Company. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail of services of these Independent Directors.

The Company has received a notice in writing from a member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing candidature of the above named Directors as Independent Directors of the Company for a period of 5 years with effect from April 08, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. S.N. Talwar, Mr. H.C.H. Bhabha and Mrs. Rani Ajit Jadhav (being appointees) are interested, financially or otherwise, in their respective resolutions placed at Item Nos. 5, 6 and 7.

The draft terms and conditions of appointment of Mr. S.N. Talwar, Mr. H.C.H. Bhabha and Mrs. Rani Ajit Jadhav will be open for inspection by the

# Notice of Annual General Meeting

Members at the Registered Office of the Company on all working days (Monday – Friday) between 11.00 am and 1.00 pm upto the date of Annual General Meeting.

A brief profile of Mr. S.N. Talwar, Mr. H.C.H. Bhabha and Mrs. Rani Ajit Jadhav, the non-executive directors of the Company, are placed in the annexure attached hereto.

The Board recommends the resolutions set forth at Item Nos. 5, 6 and 7 of the Notice for approval of the Members of the Company.

## Item No. 8:

The Board of Directors of the Company at its Meeting held on February 05, 2015 appointed Mr. Anand Nambiar as an Additional Director of the Company with effect from February 05, 2015 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 the provisions of Section 161(1) of the Act, Mr. Anand Nambiar holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing candidature of Mr. Anand Nambiar as Directors of the Company.

Further Board also appointed Mr. Anand Nambiar as the Managing Director of the Company for a period from February 05, 2015 to September 30, 2017, subject to the approval of the members in general meeting and the Central Government.

The material terms of the contract dated February 05, 2015 entered into between the Company and Mr. Anand Nambiar are as under:

- I. Period: From February 05, 2015 to September 30, 2017.
- II. Mr. Anand Nambiar shall be in charge of the day to day management of the Company.
- III. The total remuneration payable to Mr. Anand Nambiar shall be as follows:

- (i) *Salary & Commission:* For the period of appointment as stated above, the aggregate remuneration payable to Mr. Anand Nambiar by way of salary and commission shall be a maximum of Rs. 20 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 196 and 197, read with Schedule V of the Companies Act, 2013.

- (ii) *Perquisites:* In addition to the above remuneration he 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, personal accident insurance paid in accordance with the Rules of the Company, etc., The aggregate value of such perquisites shall not exceed Rs. 20 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 196 and 197 read with Schedule V of the Act. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

In addition, Mr. Anand Nambiar 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. Anand Nambiar, 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. Anand Nambiar is open to inspection by Members at the Registered Office of the Company between 11.00 am and 1.00 pm on all days except Saturdays and Sundays and public holidays, up to and including the day of the Annual General Meeting.

Except Mr. Anand Nambiar, no other Director or Key Management Personnel or their respective relatives are concerned or interested in the Resolution.