



NEULAND LABORATORIES LIMITED

(CIN: L85195AP1984PLC004393)

Registered Office: Sanali Info park, 'A' Block, Ground floor, 8-2-120/113, Road No.2, Banjara Hills, Hyderabad-34.

E-mail : ir@neulandlabs.com, website : www.neulandlabs.com, Tel: +91-40-30211600.

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Neuland Laboratories Limited will be held on **Tuesday, the 24th day of June, 2014 at 2.30 p.m.** at the Grand Ball Room, Taj Krishna, Road No. 1, Banjara Hills, Hyderabad - 500 034 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend of Rs.3.00 per Equity share to the shareholders for the financial year 2013-14.
3. To appoint a Director in place of Mr. G V K Rama Rao who retires by rotation and being eligible offers himself for re-appointment as a Director.
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 sections 139, 141 and 142 of the Companies Act, 2013, M/s. Walker Chandiok & Co., LLP, Chartered Accountants, (Registration No. 001076N), Hyderabad, be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. K. S. Aiyar & Co., Chartered Accountants, (Registration No. 100186W) to hold the office from the conclusion of this Meeting for a period of 5 years, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2015."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to Sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013, if any, and the rules made

thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Bharati Rao (holding DIN: 01892516), whose term of office as an Additional Director, pursuant to Section 161 of the Companies Act, 2013, expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years with effect from May 9, 2014."

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

"RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. William Gordon Mitchell (holding DIN : 02222567), Independent Director of the Company who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing that his term as an Independent Director be for a period of five years from April 1, 2014 up to March 31, 2019, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from April 1, 2014 up to March 31, 2019.

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

"RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.PV.Maiya (holding DIN: 00195847), Independent Director of the Company who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received

a notice in writing from a member proposing that his term as an Independent Director be for a period of five years from April 1, 2014 up to March 31, 2019, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from April 1, 2014 up to March 31, 2019.

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

"RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.Humayun Dhanrajgir (holding DIN : 00004006), Independent Director of the Company who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing that his term as an Independent Director be for a period of five years from April 1, 2014 up to March 31, 2019, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from April 1, 2014 up to March 31, 2019.

9. To consider and, if thought fit, pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), consent of the Company, be and is hereby accorded for the reappointment of Dr.D.R.Rao (holding DIN:00107737), as Chairman & Managing Director of the Company for a period of five (5) years effective from April 1, 2014, as under:

- a. **Salary and other allowances:** Rs.98,14,000 per annum with authority granted to the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors thereof) to determine the salary and grant increases from time to time. The annual or other increments will be merit based and will take into account the Company's performance.
- b. **Perquisites:** He shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively called "perquisites") such as

unfurnished residential accommodation, medical reimbursement, leave travel assistance / allowance, membership fees of clubs, hospitalization and accident insurance, security at residence and any other perquisites as per policy/ rules of the Company in force or as may be approved from time to time provided that aggregate cost to the Company of such perquisites does not exceed Rs.16,10,000 per annum with authority to the Board to amend the same from time to time.

In addition to the above, Dr. D.R.Rao shall also be entitled to the following benefits as per policy/ rules of the Company in force or the Board may approve as from time to time.

- Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
 - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - Encashment of leave at the time of retirement.
- c. **Commission:** As may be decided within the overall ceiling limit of 5% of the net profits of the Company as per the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Dr. D.R.Rao, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT the individual components of the above remuneration be decided and revised as may be agreed to by the Board and Dr. D.R.Rao.

RESOLVED FURTHER THAT the Board or Dr. D.R.Rao shall be entitled to terminate the appointment of Dr. D.R.Rao by giving twelve month notice in writing or such shorter notice as may be mutually agreed between him and the Board."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to this Resolution and delegate to any Director(s) or any other Officer(s) of the Company for obtaining necessary permissions and approvals, if any, in this connection from any authorities."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT in partial supersession of the special resolution dated August 10, 2012, approval of the Company be and is hereby granted pursuant to the provisions of Sections 197 and any other applicable provisions of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 309, 310 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), and subject to approvals, if any required, for modification to the remuneration payable to Mr.D.Saharsh Rao, Whole Time Director & President-Contract Research, as under, effective April 1, 2014.

a. **Salary and other allowances:** Rs.72,12,000 per annum with authority granted to the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors thereof) to determine the salary and grant increases from time to time. The annual or other increments will be merit based and will take into account the Company's performance.

b. **Perquisites:** He shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively called "perquisites") such as unfurnished residential accommodation, medical reimbursement, leave travel assistance / allowance, membership fees of clubs, hospitalization and accident insurance, security at residence and any other perquisites as per policy/ rules of the Company in force or as may be approved from time to time provided that aggregate cost to the Company of such perquisites does not exceed Rs.11,40,000 per annum with authority to the Board to amend the same from time to time.

The annual or other increases / increments will be merit based and will take into account the Company's performance and in accordance within the limits specified in the Companies Act, 2013.

In addition to the above, Mr. Saharsh Rao shall also be entitled to the following benefits as per policy/ rules of the Company in force or the Board may approve as from time to time.

- Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;

- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- Encashment of leave at the time of retirement.

c. **Commission:** As may be decided within the overall ceiling limit of 5% of the net profits of the Company as per the Companies Act 2013.

RESOLVED FURTHER THAT the individual components of the above remuneration be decided and revised as may be agreed to by the Board and Mr. Saharsh Rao and that all other terms and conditions of his appointment in terms of the resolution dated August 10, 2012 shall remain unchanged and continue to be effective.

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT in pursuance to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, the existing Clause 112 of the Articles of Association of the Company be and is hereby altered by adding the following at the end of the Clause:

112. "The Chairman may also be the Managing Director of the Company and the provisions of the Clause 117 of the Articles of Association of the Company be mutatis mutandis applicable to such Chairman and Managing Director."

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules thereon and subject to approval as may be required from the Central Government, the reappointment of M/s. Nageswara Rao & Co., Cost Accountants, (Registration No. 000332), Hyderabad, as Cost Auditors to audit the cost records maintained by the Company for the financial year ending March 31, 2015, on a remuneration of Rs.1,50,000/- (Rupees One lakh fifty thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out-of-pocket expenses, be and is hereby ratified."

For and on behalf of the Board

Sd/-

Hyderabad

May 09, 2014

DR. D. R. RAO

CHAIRMAN & MANAGING DIRECTOR

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE PROXY FORMS TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Members are requested to intimate to the Registrars of the Company, Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081, changes, if any, in their registered address along with Pin Code. Members whose shareholdings are in dematerialized form are requested to send the intimation for change of address to their respective depository participant(s).
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
5. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the company on all working days, between 11.00 a.m to 1.00 p.m upto the date of the meeting.
7. The Company has notified that the Register of Members and Share Transfer Books of the Company will remain closed from June 18, 2014 to June 24, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity shares, if declared at the meeting.
8. Members desiring any information as regard accounts are requested to write to the Company on or before June 18, 2014, to the attention of the Company Secretary, so as to enable the Company to keep the information ready.
9. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting.
10. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding

shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.

11. Members holding shares in electronic form may note that bank particulars registered against their respective depository account will be used by the company for the payment of dividend. The Company or its Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited ("Karvy") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.
13. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly, transferred Rs.1,14,958, being the unpaid and unclaimed dividend amount pertaining to FY 2005-06 to the Investor Education and Protection Fund of the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2007, as on the date of the 29th Annual General Meeting (AGM) held on 2nd August 2013, on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company viz. www.neulandlabs.com.

Information in respect of unclaimed dividend pursuant to the provisions of Section 124 of the Companies Act, 2013 (corresponding provisions of Section 205A of the Companies Act, 1956), and the dates by which they need to be transferred is given below:

Financial year	Date of declaration	Due date for transfer to IEPF
2006-07	July 20, 2007	August 18, 2014
2007-08	July 24, 2008	August 22, 2015
2008-09	July 18, 2009	August 16, 2016
2009-10	No dividend declared	Not Applicable
2010-11	No dividend declared	Not Applicable
2011-12	No dividend declared	Not Applicable
2012-13	August 2, 2013	September 1, 2020

Members who have not encashed the dividend warrants so far in respect of the aforesaid period are requested to send their claims, if any, to the Company well in advance of the above due dates.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Karvy.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
16. The Company has implemented the 'Green Initiative' as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. The email addresses indicated in your respective Depository Participant (DP) accounts are being periodically downloaded from NSDL/CDSL and will be deemed to be your registered email address for serving notices/documents including those covered under Section 136 of the Companies Act, 2013 (corresponding provisions of Section 219 of the Companies Act, 1956). Members may also note that the Notice of the 30th AGM and the Annual Report for FY 2013-14 copies of audited financial statements, directors' report, auditors' report etc. will also be available on the website of the Company, www.neulandlabs.com for download. Members holding shares in electronic mode are therefore requested to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in (3) above quoting their folio number(s).

17. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at the 30th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by Karvy Computershare Private Limited ("Karvy").

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <http://evoting.karvy.com> during the following voting period :

Commencement of e-voting : From 9 A.M. on 18th June, 2014 to 6 P.M. on 20th June, 2014.

18. E-voting shall not be allowed beyond 6 p.m on 20th June, 2014. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialised form, as on May 23, 2014 may cast their vote electronically.
19. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
20. The Company has appointed Mr. D. Hanumanta Raju, Partner, D. Hanumanta Raju & Associates, Practising Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 5

Mrs. Bharati Rao has over 40 years of experience in the banking and financial sector, having joined State Bank of India, in 1972. Since then she has held both domestic and international positions and titles, covering areas such as project finance, credit and risk management, development of foreign offices, human resources and mergers and acquisitions. She has represented SBI on the boards of various companies and financial institutions as a nominee director and also served as an advisor for Mergers and Acquisitions.

Mrs. Rao is presently a nominee director on the boards of SBICAP Ventures Limited, SBICAP Securities Limited, SBI Global Factors Limited, SBI Capital Markets Limited, SBI CAP (UK) Limited and Suzlon Energy Limited and director on the Board of Vijaya Bank. She is also an advisor to a number of companies and other corporate entities including Brickworks Ratings Company.

Mrs. Rao does not hold any shares in the Company, either by herself or for any other person on a beneficial basis.

Mrs Rao was appointed by the Board of Directors as an Additional Director of the Company with effect from May 9, 2014 in accordance with Section 161 of the Companies Act, 2013 and the Articles of Association of the Company to hold office up to the date of this Annual General Meeting of the Company.

As required under Section 160 of the Companies Act, 2013, the Company has received notice from a member proposing Mrs. Rao as a candidate for the office of Director of the Company. Mrs. Bharati Rao would be a Non-Executive Independent Director of the Company.

Your Board is of the opinion that Mrs. Rao fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mrs. Rao as an Independent Director setting out the terms and conditions would be available for inspection as mentioned in the Note No.6 of the Notes to this Notice.

Except Mrs. Bharati Rao, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for approval of the members.

Item No. 6

Dr. William Gordon Mitchell is a Non-Executive Independent Director under the listing agreement on the Board of the Company since 2008.

Dr. Mitchell has completed his PhD from the School of Business Administration of the University of California, Berkeley. He is presently J. Rex Fuqua Professor of International Management, Fuqua School of Business, Duke University, Durham, NC, USA as well as the Anthony S. Fell Professor of New Technologies and Commercialization at the University of Toronto in Canada. Prior to joining Duke University, he was Professor of Corporate Strategy and International Business at University of Michigan, USA. He is on the editorial board of several management journals. His teaching and research interests include corporate strategy, alliance strategy and dynamics of the health care industry.

Dr. Mitchell does not hold any shares in the Company, either by himself or for any other person on a beneficial basis.

Dr. Mitchell was liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Mitchell, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term of upto March 31, 2019. The Company has received notice from a member proposing that his term

as an Independent Director be for a period of five years from April 1, 2014 upto March 31, 2019.

With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as per the provisions of section 149(6) of the Act. Your Board is of the opinion that Dr. Mitchell fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Dr. Mitchell as an Independent Director setting out the terms and conditions would be available for inspection as mentioned in the Note No.6 of the Notes to this Notice.

Except Dr. Mitchell, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for approval of the members.

Item No. 7

Mr. P.V. Maiya is a Non-Executive Independent Director under the listing agreement on the Board of the Company since 1999.

Mr. Maiya served in the State Bank of India for 32 years; his service included assignments in all major business lines of the Bank in India and abroad. He took early retirement when he was a General Manager to start the ICICI Bank in 1994 of which he was the first executive Chairman. He retired from the bank in 1998 and soon thereafter, he established Central Depository Services Ltd., the second depository in the Country, which was completed in 1999.

During 2001-04, he was a Director on the Board of Indian Bank as a nominee of Government of India and around the same period he was also a Chairman of the Board of Trustees of Canbank Mutual Fund. He was Director on the Board of Canara Bank from 2007-13 where he elected as shareholder Director. Presently Mr. Maiya is an independent director in Brigade Enterprises Limited, Ocean Sparkle Limited and BCV Developers Private Limited. Mr. Maiya is a Trustee of Brigade Foundation.

Mr. Maiya holds 1416 shares in the Company.

Mr. Maiya is a director whose office is liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Maiya, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term of upto March 31, 2019. The Company has received notice from a member proposing that his term as an Independent Director be for a period of five years from April 1, 2014 up to March 31, 2019.

With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as per the provisions of section

149(6) of the Act. Your Board is of the opinion that Mr. Maiya fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. Maiya as an Independent Director setting out the terms and conditions would be available for inspection as mentioned in the Note No.6 of the Notes to this Notice.

Except Mr. P.V. Maiya, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for approval of the members.

Item No. 8

Mr. Humayun Dhanrajgir is a Non-Executive Independent Director under the listing agreement on the Board of the Company since 1994.

Mr. Humayun Dhanrajgir, is an Independent Director of our Company. He is a B. Tech. (Chem Eng), Loughborough, M.I., CHEM. E, UK, C-Eng(Lond), AMP (Harvard) by qualification. He has an experience of over 45 years in the pharmaceutical industry. He has held several senior positions in Glaxo India Ltd, including being the Managing Director and Executive Vice-Chairman and later Managing Director of Kodak India Limited. He is a past President of the Organization of Pharmaceutical Producers of India (OPPI) in the early 90s. Mr. Dhanrajgir is also a Trustee of Breach Candy Hospital Trust, Mumbai and Lintas Employees Welfare Trusts. He is on the Advisory Board of the United States Pharmacopeia (India). He is a member of the Global Advisory Board of Asian Center for Corporate Governance and Sustainability. He also serves on a few Boards of public companies notably Cadila Healthcare Ltd., Zydus Wellness Ltd, HDFC Asset Management Company Ltd., Emcure Pharmaceuticals Ltd. (Chairman), Next Gen Publishing Co. Ltd. (Chairman). Mr. Dhanrajgir is active in sports and plays golf regularly.

Mr. Dhanrajgir holds 2833 shares in the Company.

Mr. Dhanrajgir is a director whose office is liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Dhanrajgir, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term of upto March 31, 2019. The Company has received notice from a member proposing that his term as an Independent Director be for a period of five years from April 1, 2014 up to March 31, 2019.

With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as per the provisions of section 149(6) of the Act. Your Board is of the opinion that Mr. Dhanrajgir fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder, for his

appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. Dhanrajgir as an Independent Director setting out the terms and conditions would be available for inspection as mentioned in the Note No.6 of the Notes to this Notice.

Except Mr. Dhanrajgir, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for approval of the members.

Item No. 9

Dr. D. R. Rao, aged 69 years, a Ph.D. in Organic Chemistry from the University of Notre Dame, USA and a Postgraduate from IIT, Kharagpur has more than 40 years of industry experience and founded the Company in 1984. He was amongst the first few first generation entrepreneurs, who had a vision to set up a pharmaceutical company in Hyderabad. His vision for quality and customer centricity has enabled the Company to achieve its present glory of manufacturing quality products by design and enabled the Company to be compliant with all major global quality systems, including USFDA, EDQM, ANVISA, TGA, PMDA, KFDA. The Company services customers in more than 80 countries worldwide with most of them having relationship of more than 15 years. His pursuit of excellence has ensured that "Neuland" is a brand to reckon with in the industry. This was further validated recently by the CMO award for quality and regulatory systems by an International magazine which is a testimony of his untiring effort to the commitment of quality.

The current term of office of Dr. D.R. Rao as the Chairman and Managing Director expired on March 31, 2014. Considering the contribution of Dr. D. R. Rao in steering the Company right from its inception, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Dr. D.R. Rao as the Chairman and Managing Director of the Company for a further period of 5 (five) years effective from April 1, 2014 on a remuneration as set out in the Resolution proposed under this Item of the Notice, at its meeting held on February 5, 2014.

The Board of Directors, at its meeting held on February 5, 2014 has, subject to the approval of the shareholders, re-appointed Dr.D.R.Rao as the Chairman & Managing Director of the Company for a further period of five years from April 1, 2014 at a remuneration approved by the Nomination and Remuneration Committee at its Meeting held on February 5, 2014.

Dr.D.R.Rao would be completing 70 years in 2014 and hence the resolution is being proposed as a Special Resolution.

Except Dr. D. R. Rao, Mr. D. Sucheth Rao and Mr. D. Saharsh Rao, none of the Directors, Key Managerial Personnel of

the Company and their relatives is concerned or interested in the Resolution. Your Directors recommend the Resolution for your approval.

Item No. 10

Mr. D. Saharsh Rao joined the Company during March 2005 as the Chief Information Officer and later has been appointed as a Whole Time Director from June 1, 2009. He is responsible for the Business Development of Custom Manufacturing Solutions. Under his leadership, the Company has made a successful foray into business in Japan and he has been instrumental in securing the Joint Business arrangement with API Corporation, Japan. He also shares the management responsibilities along with other Whole Time Directors.

The Nomination and Remuneration Committee had at its meeting held on May 9, 2014, considered the valuable contribution of Mr. D. Saharsh Rao in the growth of Custom Manufacturing Solutions business, the significant improvement in the performance and also the financial condition of the Company, and recommended an increase in the remuneration payable to Mr.D.Saharsh Rao.

The Board of Directors, at its meeting held on May 9, 2014 has, subject to the approval of the shareholders, approved the remuneration recommended by the Remuneration and Compensation Committee, as set out in the Resolution proposed under this item of the Notice.

Except Dr. D. R. Rao, Mr. D. Sucheth Rao and Mr. D. Saharsh Rao, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. Your Directors recommend the Resolution for your approval.

Item No. 11

Pursuant to the proviso to Section 203(1) of the Companies Act, 2013, an individual cannot be appointed or reappointed as the chairperson as well as the managing director of a company at the same time unless the articles of such a company provide otherwise or the company does not carry multiple businesses.

The Company has only one business segment and the above referred proviso is not applicable to the Company presently. However, to meet any requirement that may arise in the future, it is proposed to include a provision in the Articles of Association of the Company to enable appointment of an individual as the Chairperson as well as the Managing Director of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. Your Directors recommend the Resolution for your approval.

Item No. 12

Pursuant to the recommendation of the Audit Committee, the Board of Directors had at its meeting held on May 9, 2014, approved the reappointment of the Cost Auditors,

Nageswara Rao & Co., Cost Accountants (Registration No.000332) and remuneration payable to them, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment of and remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

Your Directors recommend the Resolution for your approval.

Note on appointment of M/s. Walker Chandiok & Co., LLP, Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company (Item No.4)

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 on rotation of audit firms, based on the recommendation of the Audit Committee, the Board of Directors has at its meeting held on May 9, 2014 recommended the appointment of M/s. Walker Chandiok & Co., LLP, Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company to hold office on the terms and conditions set out in the Resolution.

The Company has received special notice of a resolution from a Member of the Company, in terms of the applicable provisions of the Act, signifying his intention to propose the appointment of M/s. Walker Chandiok & Co., LLP, as the Statutory Auditors of the Company to hold office on the terms and conditions set out in the Resolution proposed under Item No. 4.

M/s. Walker Chandiok & Co., Chartered Accountants, LLP, Hyderabad, have expressed their willingness to act as the Statutory Auditors of the Company, if appointed, and have further confirmed that the appointment, would be in conformity with the provisions of Section 141 of the Act.

The Members' approval is being sought for the appointment of M/s.Walker Chandiok & Co., LLP, Chartered Accountants, Hyderabad, as the statutory auditors and to authorise the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to them.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for approval of the members.

For and on behalf of the Board

Sd/-

Hyderabad
May 09, 2014

DR. D. R. RAO
CHAIRMAN & MANAGING DIRECTOR

Additional Information of Directors seeking appointment/re-appointment pursuant to Clause 49(IV)(G)(i) of the Listing Agreement						
Name of the Director	Dr. D.R.Rao	Mr. G.V.K. Rama Rao	Mr. Humayun Dhanrajgir	Mr.P.V.Maiya	Dr.William Gordon Mitchell	Mrs.Bharathi Rao
Date of first appointment	07/01/1984	07/01/1984	23/08/1994	24/07/1999	23/05/2008	09/05/2014
Age	69	82	77	75	61	65
Expertise in specific functional areas	General Management	Civil Litigation	General Management & Pharmaceutical industry	General Management & Finance	Corporate Strategy and International Business	General management & Finance
Educational Qualifications	M.Sc. from Andhra University PG Diploma in Technology from IIT Kharagpur Ph.D. in Organic Chemistry from the University of Notre Dame, USA.	LLB	B.Tech, MI, CHEM (E)	M.A[Econ], CAIIB	Ph.D.	M.A[Econ], CAIIB
Chairman/Member of the Committee of the Board of Directors of the Company	Stakeholders Relationship Committee - Member Rights Issue Committee - Member Finance Committee - Member	Nil	1. Audit Committee – Member 2. Nomination and Remuneration Committee – Member 3. Finance Committee - Member 4. Corporate Social Responsibility Committee – Member	1. Audit Committee – Chairman 2. Nomination and Remuneration committee – Chairman 3. Stakeholders Relationship Committee – Chairman 4. Finance Committee - Member 5. Rights Issue Committee - Member	Nil	1. Audit Committee – Member 2. Nomination and Remuneration Committee – Member

List of directorships, Committee Chairmanship and membership held in other companies as on May 9, 2014	1. Pattancheru Enviro-tech Ltd. 2. Neuland Health Sciences Pvt.Ltd. 3. Neuland Pharma Research Pvt. Ltd. 4. Neuland Laboratories Inc., USA 5. Neuland Laboratories KK., Japan	Nil	1. HDFC Asset Management Co. Ltd.: • Audit Committee - Member • Remuneration Committee – Member • Share transfer Committee - Member 2. Sami Labs Ltd. 3. Emcure Pharmaceuticals Ltd.: • Audit Committee - Member • Remuneration Committee – Member 4. Cadila Healthcare Ltd.: • Audit Committee - Member • Remuneration Committee - Member 5. Themis Medicare Ltd.: • Audit Committee - Chairman 6. Zyklus Wellness Ltd.: • Audit Committee - Member • Remuneration Committee – Chairman 7. Next Gen Publishing Ltd.: • Audit Committee - Member • Remuneration Committee – Member 8. H. Dhanrajgir Estates Pvt.Ltd.	1. Brigade Enterprises Ltd.: • Audit Committee – Chairman • Shareholder / Investor Grievance committee - Member 2. Ocean Sparkle Ltd.: • Audit Committee - Member 3. BCV Developers Pvt.Ltd.: • Audit Committee - Chairman	Nil	1. SBI Capital Markets Ltd. 2. SBI CAP Securities Ltd. • Audit Committee - Member 3. SBI CAP Ventures Ltd. 4. SBI CAP (UK) Ltd. 5. SBI Global Factors Ltd. • Remuneration Committee - Member 6. Vijaya Bank • Customer Grievances Committee - Member • Share Transfer Committee - Member 7. Suzlon Energy Ltd. • Audit Committee - Member
Number of shares held in the Company as on May 9, 2014	100	100	2833	1416	Nil	Nil