

SANOFI INDIA LIMITED

Registered Office: 54/A, Sir Mathuradas VasANJI Road, Andheri East, Mumbai 400 093

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-seventh Annual General Meeting of the Members of Sanofi India Limited will be held on Tuesday, 30th April 2013 at 2.45 p.m. at Y. B. Chavan Centre - Auditorium, Gen. J. Bhosale Marg, near Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st December 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED THAT an Interim Dividend for the year ended 31st December 2012 of Rs. 4 per Equity Share of Rs. 10 paid to the Members whose names appeared on the Register of Members on 3rd August 2012, be and the same is hereby approved and confirmed.
 RESOLVED FURTHER THAT a Final Dividend for the year ended 31st December 2012 of Rs. 29 per Equity Share of Rs. 10 be paid to:
 i) those Members whose names appear on the Register of Members of the Company on 30th April 2013; and
 ii) those whose names appear as beneficial owners as at the close of business on 8th April 2013, as per details to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited."
3. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED that Mr. A. K. R. Nedungadi who retires by rotation and who is eligible for re-election be and is hereby re-appointed a Director."
4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED that Mr. J. M. Gandhi who retires by rotation and who is eligible for re-election be and is hereby re-appointed a Director."
5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED THAT M/s. S. R. Batliboi & Co., Chartered Accountants, (Firm Registration No. 301003E) be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting.
 RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :
 "RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 314 of the Companies Act, 1956 and all other applicable provisions, if any, to the appointment of Mr. S. Umesh (Alternate to Mr. A. Ortoli) as Wholetime Director of the Company for the period from 4th May 2012 to 31st January 2013 and to his receiving remuneration, benefits and amenities as Wholetime Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement between the Company and Mr. Umesh, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting. Provided that the aforesaid approval and consent shall not be impaired by reason of Mr. A. Ortoli having returned to the State of Maharashtra and Mr. Umesh having been re-appointed as Alternate Director to Mr. Ortoli.
 RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Mr. Umesh as the minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the approval of the Central Government, if required but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956.
 RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."
7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :
 "RESOLVED THAT subject to the approval of the Central Government, the Company hereby accords its approval and consent under Sections 198, 269, 309 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII thereto, to Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha) holding office as Wholetime Director of the Company for a period of five years with effect from the 25th day of July 2012 and to her receiving remuneration, benefits and amenities as Wholetime Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an agreement to be entered into between the Company and Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha), a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting."

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha) as the minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the approval of the Central Government, if required but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 314 of the Companies Act, 1956 and all other applicable provisions, if any, to the re-appointment of Mr. M. G. Rao (presently Alternate to Mr. J. M. Georges) as Wholtime Director of the Company for the period from 6th September 2012 to 5th September 2013 and to his receiving remuneration, benefits and amenities as Wholtime Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Mr. Rao, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting. Provided that the aforesaid approval and consent shall not be impaired by reason of Mr. J. M. Georges returning to the State of Maharashtra and Mr. Rao being appointed as Alternate Director to Mr. Georges or Mr. Rao being appointed as Alternate Director to any other Director or Mr. Rao filling in any casual vacancy or being appointed as Additional Director or as a Director in his own right by the Company in General Meeting.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Mr. Rao as the minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the approval of the Central Government, if required but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

By Order of the Board

K. SUBRAMANI
COMPANY SECRETARY

Registered Office:
54/A, Sir Mathuradas VasANJI Road
Andheri East
Mumbai 400 093

Mumbai, 4th March 2013

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company. The Proxy form, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. The Register of Members of the Company shall remain closed from Tuesday, 9th April 2013 to Tuesday, 30th April 2013 (both days inclusive).
3. The relevant Explanatory Statement in respect of Item Nos. 6 to 8 of the Notice is annexed to and forms part of the Notice.
4. (i) The Company has transferred all unclaimed dividends upto the financial year ended 31st March 1995 to the General Revenue Account of the Central Government as required under Section 205A of the Companies Act, 1956. Members who have not encashed their dividend warrants for the said years are requested to claim the amount from the Registrar of Companies, Maharashtra.
(ii) Pursuant to Section 205A and 205C of the Companies Act, 1956, unclaimed dividends upto the Interim Dividend for the year ended 31st December 2005 have been transferred to the Investor Education and Protection Fund.
In terms of Section 205A and 205C, any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Once unclaimed dividends are so transferred, Members will not be entitled to claim these dividends.
Members who have not encashed their dividend warrants towards the Final Dividend for the year ended 31st December 2005 or thereafter are requested to write to the Company's Registrars and Transfer Agents.
5. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies at the Meeting.

PROFILE OF DIRECTORS BEING APPOINTED

As required by Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed are given below:

1. Name : Mr. A. K. R. Nedungadi
 Age : 55 years
 Qualifications : B.Com., ACA, AICWA
 Experience : Mr. Nedungadi started his career in McNeill & Magor Limited as Regional Accounts Manager. After working for six years he joined Pentagon Fasteners Limited as Financial Controller.
 He joined the UB Group in January 1990 as Corporate Treasurer. In 1992 he became Group Finance Director of UB International Limited which position he held for 5 years.
 He returned to India in April 1997 to head Finance at McDowell & Co. He was elevated to the position of President and Chief Financial Officer of the UB Group in October 1999.
 Director of the Company from 13th January 2000.
 Other Directorships (as on 25th February 2013)

<u>Name of the company</u>	<u>Position held</u>
Domestic companies	
Bayer CropScience Limited	Director
Beta Edutech Limited	Director
Idea Streamz Consultants Pvt. Ltd.	Director
Kingfisher Airlines Limited	Director
Millenea Vision Advertising (P) Ltd.	Director
SWEW Benefit Company	Member of Managing Committee
United Breweries Limited	Director
Overseas companies	
Bouvet-Ladubay S.A.	Director
Force India Brand Limited	Director
Force India Formula One Limited	Director
Force India Formula One Team Limited	Director
Orange India Holdings S.A.R.L.	Director
Whyte and Mackay Limited	Director
Whyte and Mackay Group Limited	Director
Whyte and Mackay Warehousing Limited	Director
Wotan Pte Limited	Director
Membership of Committees	
<u>Name of the company</u>	<u>Member of Committee</u>
Bayer CropScience Limited	Audit Committee Shareholders / Investors Grievance Committee (Chairman)
Kingfisher Airlines Limited	Audit Committee Shareholders / Investors Grievance Committee Remuneration and Compensation Committee
United Breweries Limited	Remuneration & Compensation Committee (Chairman)

Mr. Nedungadi does not hold any shares in the Company.
2. Name : Mr. J. M. Gandhi
 Age : 51 years
 Qualifications : B.Com., FCA
 Experience : Mr. Gandhi is a practising Chartered Accountant in the fields of Audit and Management Consultancy.
 He is a partner of M/s. N. M. Rajji & Co., Chartered Accountants for the last 23 years.
 He is a Member of the Managing Committee and Accounting and Auditing Committee of the Bombay Chartered Accountants Society.
 Director of the Company from 5th March 2001.

Other Directorships (as on 25th February 2013)

<u>Name of the company</u>	<u>Position held</u>
ICICI Home Finance Company Limited	Director
i-Process Services (India) Private Limited	Director
Raiji & Horwath Consultancy Services Private Limited	Director
Sabero Organics Gujarat Limited	Director

Membership of Committees

<u>Name of the company</u>	<u>Member of Committee</u>
ICICI Home Finance Company Limited	Audit Committee (Chairman)
i-Process Services (India) Private Limited	Audit Committee (Chairman)
Raiji & Horwath Consultancy Services Private Limited	Audit Committee (Chairman)
Sabero Organics Gujarat Limited	Audit Committee (Member) Remuneration Committee (Member)

Mr. Gandhi does not hold any shares in the Company.

3. Name : Mr. S. Umesh
Age : 45 years
Qualifications : B. Pharm, M.B.A. (Marketing)
Experience : Mr. Umesh was appointed in August 1994 as Product Manager of the Company's then subsidiary Roussel India Limited (which subsequently merged with the Company). He subsequently held several positions of increasing importance in the Company. In August 2010 he was appointed as Senior Director - Commercial Operations (Tier I and Diabetes). In January 2012 he was appointed as Head of Commercial Operations (Pharmaceuticals).
He was appointed as Alternate to Mr. A. Ortoli from 4th May 2012. He resigned as Alternate Director with effect from 1st February 2013 as he is taking up the position of Head of Insulins of the Sanofi Group, France.
Mr. Umesh was not a Director in any other company.

4. Name : Ms. Virginie Simone Jeanine Verrechia
(Ms. Virginie Boucinha)
Age : 43 Years
Qualifications : M.B.A.
Experience : Ms. Verrechia joined RPR, France in 1991 as Controller Industrial Affairs - Europe. Since then she has held increasingly responsible positions in Internal Audit, Finance and Commercial Operations in Aventis / Sanofi group in U.S.A., Morocco and France.
She was appointed Chief Financial Officer of the Company from 1st July 2012. She became a non-retiring Director of the Company on 25th July 2012.

Other Directorships (as on 25th February 2013)

<u>Name of the company</u>	<u>Position held</u>
Sanofi-Synthelabo (India) Limited	Director
Sanofi Lanka Limited	Director
sanofi-aventis Bangladesh Limited	Director
She does not hold any shares in the Company.	

5. Name : Mr. M. G. Rao
Age : 62 years
Qualifications : M.Sc. in Organic Chemistry
Diploma in Management Studies
Experience : Mr. Rao joined the Company in 1973 in the Research Centre. He has held senior positions in Manufacturing Operations.
He is presently designated Senior Director - Industrial Affairs (South Asia).
Mr. Rao was Alternate Director to Dr. Carlo de Notaristefani from 29th July 2003 to 26th January 2004 and to Mr. A. Peychaud from 26th March 2004 to 31st October 2006. He was Alternate to Mr. J. M. Georges from 10th November 2006 to 26th October 2009. He was appointed as Alternate to Mr. J. M. Georges from 25th October 2010.
Mr. Rao is not a Director of any other company.
Mr. Rao does not hold any shares in the Company.

EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out all material facts relating to Item Nos. 6 to 8 of the accompanying Notice of the Annual General Meeting to be held on 30th April 2013:

1. Item No. 6

Mr. S. Umesh was appointed as Alternate to Mr. A. Oroli with effect from 4th May 2012 by a resolution passed by the Board of Directors at its Meeting held on 3rd May 2012. Mr. Umesh, being an employee of the Company, was appointed as Wholtime Director for a period of five years from 4th May 2012.

Mr. Umesh was appointed in August 1994 as Product Manager of the Company's then subsidiary Roussel India Limited (which subsequently merged with the Company). He subsequently held several positions of increasing importance in the Company. In August 2010 he was appointed as Senior Director - Commercial Operations (Tier I and Diabetes). In January 2012 he was appointed as Head of Commercial Operations (Pharmaceuticals).

Mr. Umesh resigned as Alternate Director with effect from 1st February 2013 as he is taking up the position of Head of Insulins of the Sanofi Group, France.

Mr. Umesh may be deemed to be holding an office or place of profit within the meaning of Section 314(1) of the Companies Act, 1956. His appointment and remuneration paid to him during the period 4th May 2012 to 31st January 2013 require your approval by a Special Resolution.

The remuneration paid and the perquisites provided to him are set out below :

- i) Salary - Rs. 239,990 per month
- ii) Special Allowance: Rs. 68,715 per month
- iii) (a) Bonus : 20% of Annual Salary
(b) Performance Bonus - Payment of Performance Bonus with a target payout of Rs. 1,567,799 for the financial year ended 31st December 2012 and a payout range of 0% to 200% of target amount to be paid at the end of the financial year, as may be determined by the Board of Directors. (The target payout will undergo revision every year.)
- iv) Provident Fund - Company's contribution not to exceed 12% of salary.
- v) Gratuity - Gratuity benefits as applicable to Officers of the Company and shall be subject to the maximum amount as may be permitted under the Company's rules in relation to gratuity prevailing from time to time.
- vi) Housing - The Company to provide rent free accommodation in a Company owned or leased flat or to pay Mr. S. Umesh House Rent Allowance of Rs. 125,000 per month or such amount as may be fixed by the Board of Directors from time to time. The flat (either owned or leased or for which House Rent Allowance is paid) shall be partly furnished, painted at such periodic intervals as per rules of the Company and air conditioned with reimbursement of gas, water and electricity bills, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- vii) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed one month's salary per year.
- viii) Free use of the Company's car (for which maintenance expenses would be borne by the Company), fuel and reimbursement of salary of driver for use on the Company's business as well as for own use. In case the car is leased by the Company, lease rental and maintenance expenses will be paid as per applicable rules of the Company.
- ix) The Company to pay the premium for the Personal Accident Insurance Policy taken for Mr. S. Umesh along with other Officers of the Company.
- x) The Company to pay the premium for the Group Insurance Policy taken for Mr. S. Umesh as per rules of the Company.
- xi) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
- xii) Leave Travel Concession for self and family for undertaking one or more journeys in India subject to a ceiling of one and half month's salary in a financial year.

- xiii) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
- xiv) Reimbursement of bills for residential landline and mobile telephone and actual travelling / entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- xv) Interest subsidy @ Rs. 4,500 per lakh per annum towards interest on loan taken by him for purchase of house subject to a maximum loan amount of Rs. 25,00,000.
- xvi) He shall be entitled to such benefits, schemes, awards as may be paid or applicable to other Officers or employees of the Company.

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Mr. S. Umesh as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company but shall not exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956.

OTHER TERMS AND CONDITIONS

- a) He shall not be paid any sitting fees for attending Board/Committee Meetings.
- b) He shall not become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency without prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Mr. S. Umesh by giving not less than three months' prior notice in writing.

The Directors are of the opinion that Mr. Umesh's knowledge and experience was of benefit to the Company. The Board, therefore, recommends the acceptance of the resolution set out in item No. 6 of the Notice convening the Meeting.

The said draft agreement referred to in the resolution is available for inspection by the Members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director is concerned or interested in the resolution set out in item No. 6 of the Notice convening the Meeting.

2. Item No. 7

Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha) was appointed Chief Financial Officer of the Company from 1st July 2012. She became a non-retiring Director of the Company on 25th July 2012. She consequently became Wholetime Director of the Company and will hold office as Wholetime Director for a period of five years from the said date. Her holding of office as Wholetime Director and remuneration payable to her require your approval by a Special Resolution.

Ms. Verrechia joined RPR, France in 1991 as Controllor Industrial Affairs - Europe. Since then she has held increasingly responsible positions in Internal Audit, Finance and Commercial Operations in Aventis / Sanofi group in U.S.A., Morocco and France.

The remuneration proposed to be paid to Ms. Virginie Verrechia (Ms. Virginie Boucinha) and the perquisites proposed to be provided to her are set out below :

- i) Salary - Rs. 120,000 per month.
- ii) Increments- Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 120,000 to Rs. 300,000 per month.
- iii) Special Allowance of Rs. 250,000 per month or such higher amount as may be decided by the Board from time to time.
- iv) Performance Bonus with a target payout of Rs. 576,600 for the financial year ended 31st December 2012 and a payout range of 0% to 200% of target amount to be paid at the end of the financial year as may be determined by the Board of Directors. (The target payout will undergo revision every year.)
- v) Housing - The Company to provide rent free partially furnished, airconditioned, residential accommodation and partial reimbursement of salary of servant with telephone, gas and electricity, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- vi) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed one month's salary per year.

- vii) Free use of the Company's car (for which maintenance expenses would be borne by the Company), fuel and reimbursement of salary of driver for use on the Company's business as well as for own use.
- viii) The Company to pay the premium for the Personal Accident Insurance Policy taken for her along with other Officers of the Company.
- ix) The Company to pay the premium for the Group Insurance Policy taken for her as per rules of the Company.
- x) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
- xi) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
- xii) Return passage money including all incidental charges to France on Home Leave once a year by Business Class for Ms. Verrechia (Ms. Boucinha), her husband and dependent children.
- xiii) The Company to pay or reimburse packing, forwarding, loading and unloading expenses as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of the personal effects of Ms. Verrechia (Ms. Boucinha), her husband and family and also passage moneys at the time of repatriation.
- xiv) Reimbursement of bills for residential landline and mobile telephone and actual travelling / entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- xv) The Company to pay the fees of the French School, Mumbai in respect of her children including registration fees, tuition / school fee and capital levy fee.

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha) as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company.

OTHER TERMS AND CONDITIONS

- a) She shall not be paid any sitting fees for attending Board/ Committee Meetings.
- b) She shall not become interested or otherwise concerned directly or through her husband and/or minor children in any selling agency without prior approval of the Central Government.
- c) The holding of office as Wholetime Director may be terminated by the Company or by her by giving not less than three months' prior notice in writing.

The Directors are of the opinion that her knowledge and experience will be of benefit to the Company. The Board, therefore, recommends the acceptance of the Resolution set out in item No. 7 of the Notice convening the Meeting.

The said draft Agreement referred to in the Resolution is available for inspection by the Members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director, excepting Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha), is concerned or interested in the Resolution in item No. 7 of the Notice.

3. Item No. 8

By a Resolution passed at the Annual General Meeting held on 3rd June 2004, the Members of the Company had approved the appointment of and remuneration payable to Mr. M. G. Rao, Wholetime Director (then Alternate to Mr. A. Peychaud) for a period of five years from 29th July 2003.

By a Resolution passed at the Annual General Meeting held on 24th April 2008, the Members of the Company had approved the re-appointment of and remuneration payable to Mr. M. G. Rao, Wholetime Director (then Alternate to Mr. J. M. Georges) for the period from 29th July 2008 to 5th September 2010.

By Resolutions passed at the Annual General Meetings held on 26th April 2011 and 3rd May 2012, the Members of the Company had approved re-appointment of Mr. M. G. Rao as Wholetime Director (being Alternate to Mr. J. M. Georges) for the periods from 25th October 2010 to 5th September 2011 and 6th September 2011 to 5th September 2012, respectively.

The Board of Directors has, by a Resolution passed at its Meeting held on 25th July 2012, approved the re-appointment of Mr. M. G. Rao as Wholetime Director of the Company (being Alternate to Mr. J. M. Georges) for the period from 6th September 2012 to 5th September 2013, subject to the approval of the Members of the Company.

Mr. Rao may be deemed to be holding an office or place of profit within the meaning of Section 314 (1) of the Companies Act, 1956. The re-appointment of and remuneration payable to Mr. Rao require your approval by a Special Resolution.

The remuneration proposed to be paid and the perquisites proposed to be provided to Mr. Rao are set out below:

- i) (a) Salary- Rs. 315,900 per month
- (b) Increments - Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 259,000 to Rs. 400,000 per month.
- ii) Special Allowance : Rs. 102,578 per month.
- iii) (a) Bonus : 20% of Annual Salary
- (b) Performance Bonus - Payment of Performance Bonus with target payout of Rs. 1,762,137 for the financial year ended 31st December 2012 and a payout range of 0% to 200% of target amount to be paid at the end of the financial year, as may be determined by the Board of Directors. (The target payout will undergo revision every year.)
- iv) Provident Fund - Company's contribution not to exceed 12% of salary.
- v) Gratuity - Gratuity benefits as applicable to Officers of the Company and shall be subject to the maximum amount as may be permitted under the Company's rules in relation to gratuity prevailing from time to time.
- vi) Housing - The Company to provide rent free accommodation in a Company owned or leased flat or to pay Mr. Rao House Rent Allowance of Rs. 100,000 per month or such amount as may be fixed by the Board of Directors from time to time. The flat (either owned or leased or for which House Rent Allowance is paid) shall be partly furnished, painted at such periodic intervals as per rules of the Company and air conditioned with reimbursement of gas, water and electricity bills, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- vii) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed one month's salary per year.
- viii) Free use of the Company's car (for which maintenance expenses would be borne by the Company), fuel and reimbursement of salary of driver for use on the Company's business as well as for own use. In case the car is leased by the Company, lease rental and maintenance expenses will be paid as per applicable rules of the Company.
- ix) The Company to pay the premium for the Personal Accident Insurance Policy taken for Mr. Rao along with other Officers of the Company.
- x) The Company to pay the premium for the Group Insurance Policy taken for Mr. Rao as per rules of the Company.
- xi) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
- xii) Leave Travel Concession for self and family for undertaking one or more journeys in India subject to a ceiling of one and half month's salary in a financial year.
- xiii) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
- xiv) Reimbursement of bills for residential landline and mobile telephone and actual travelling/ entertainment expenses, incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- xv) Interest subsidy @ Rs. 4,500 per lakh per annum towards interest on loan taken by him for purchase of house subject to a maximum loan amount of Rs. 25,00,000.

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Mr. Rao as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company but shall not exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

OTHER TERMS AND CONDITIONS

- a) He shall not be paid any sitting fees for attending Board/Committee Meetings.
- b) He shall not become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency without prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Mr. Rao by giving not less than three months' prior notice in writing.

The Directors are of the opinion that Mr. Rao's knowledge and experience will be of benefit to the Company. The Board, therefore, recommends the acceptance of the resolution set out in item No. 8 of the Notice convening the Meeting.

The said draft Agreement referred to in the resolution is available for inspection by the Members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director, excepting Mr. Rao, is concerned or interested in the resolution set out in Item No. 8 of the Notice convening the Meeting.

By Order of the Board

K. SUBRAMANI
COMPANY SECRETARY

Registered Office:
54/A, Sir Mathuradas Vasanji Road
Andheri East
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Mumbai, 4th March 2013

