



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG LIFE SCIENCES LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 25, 2014 AT 11.00 A.M. AT RAVINDRA NATYA MANDIR, P.L. DESHPANDE MAHARASHTRA KALA ACADEMY, SAYANI ROAD, PRABHADEVI, MUMBAI 400 025 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014, the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend for the year ended on March 31, 2014.
3. To appoint a Director in place of Mr. C. Vinayaraghavan (DIN:01053367), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors and to fix their remuneration and in this regard 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 139, 142 and other applicable provisions, if any, of the Companies Act 2013 and Rules made thereunder, and pursuant to the recommendations of the Audit Committee, M/s. Lovelock & Lewes, Chartered Accountants (Registration No. 301056E) the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") until conclusion of the Tenth AGM of the Company subject to ratification of the appointment by the Members at every AGM held after this AGM at a remuneration to be determined by the Board of Directors of the Company in addition to service tax and such other tax(es), as may be applicable and reimbursement of out of pocket expenses incurred by them for the purpose of audit."

### 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 the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Narendra Ambwani (DIN:00236658), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from July 24, 2014 and who holds office until the date of this Annual General Meeting and who has given a declaration of independence under Section 149 (6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member

under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 25, 2014 to September 24, 2019 and shall not be liable to retire by rotation."

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 the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. P. K. Mohapatra (DIN:00066239), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 25, 2014 to September 24, 2019 and shall not be liable to retire by rotation."
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 the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Manoj Maheshwari (DIN:00012341), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 25, 2014 to September 24, 2019 and shall not be liable to retire by rotation."
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 the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Mahesh Gupta (DIN:00046810), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 25, 2014 to September 24, 2019 and shall not be liable to retire by rotation."
9. 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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment



thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. C. L. Jain (DIN:00102910), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 25, 2014 to September 24, 2019 and shall not be liable to retire by rotation."

10. 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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Lalit S. Kanodia (DIN:00008050), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 25, 2014 to September 24, 2019 and shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions under Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof and subject to the approval of the Central Government, if any and subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded for payment of remuneration to Mr. Ajit Singh Chouhan (DIN:02284557), Managing Director of the Company with effect from April 1, 2014 for remainder of duration of appointment up to April 8, 2016 on the terms and conditions mentioned in the agreement and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement which forms part of this resolution.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.

RESOLVED FURTHER THAT in the event of absence of profits or inadequacy of profits in any financial year under the provisions of Schedule V to the Companies Act, 2013,

the remuneration as set out in the explanatory statement which forms part of this resolution be paid as the minimum remuneration to the Managing Director by way of salary and allowances as specified therein and subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

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 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Kirit Mehta & Co. (Registration No. 000353), Cost Accountants, appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

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

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

"RESOLVED THAT in supersession to the earlier resolution (without prejudice to the actions already taken by virtue thereof) and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted or hereinafter constitutes to exercise its powers including the powers conferred by the resolution), for borrowing any sum or sums of money (including fund based and non fund based working capital facilities from the Consortium Member banks) from time to time at their discretion for the purpose of the Company, even if the borrowing(s) together with the monies already borrowed by the Company exceeds the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, and determine,



fix, arrange or agree to the terms and conditions of all such monies borrowed/ to be borrowed from time to time, provided however, that such borrowing shall not exceed Rs. 125 crores (Rupees One Hundred Twenty Five Crores only) over and above the aggregate of paid up share capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board be and is hereby empowered and authorised on behalf of the Company to arrange or fix the terms and conditions of all such monies to be borrowed from time to time, as to interest, repayment, security or otherwise howsoever, as it may think fit."

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

"RESOLVED THAT in supersession to the earlier resolution (without prejudice to the actions already taken by virtue thereof) and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, including any statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), to mortgage/charge/hypothecate/pledge/create security in any form or manner on all or any of the movable and/or immovable properties of the Company, both present and future or the whole or substantially the whole of the undertaking(s) of the Company for securing any loan(s) or facility(ies) including Rupee loans, foreign currency loans, debentures, bonds or other instruments or fund based and non fund based working capital facilities availed or as may be availed from time to time from any Financial Institution(s) or Bank(s) or Person(s) or entities together with interest, costs, charges, expenses and any other monies payable thereon for an amount not exceeding Rs. 125 crores (Rupees One Hundred Twenty Five Crores only) over and above the aggregate of paid up share capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required in its absolute discretion pursuant to above resolution."

#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members

holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.

2. Members/proxies should bring duly filled attendance slip send herewith to attend the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 15, 2014 to Thursday, September 25, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the Dividend for 2013-14. The book closure dates have been fixed in consultation with the Stock Exchanges.
5. The dividend for the financial year March 31, 2014, as recommended by the Board, if approved by the members, will be paid on or after September 26, 2014, to those members whose names stand registered on the Company's Register of Members:
  - i) as Beneficial Owners as at the end of business hours on September 12, 2014 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in dematerialized form.
  - ii) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company/Registrars and Share Transfer Agents, on or before September 12, 2014.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars 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.
7. Members holding shares in physical form are requested to notify the change, if any, in their address and bank mandate details to the Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.



9. In compliance with Clause 5A.II of the Listing Agreements with the Stock Exchanges, the Company transferred 75,236 unclaimed shares held by 603 shareholders to an Unclaimed Suspense Account and dematerialized the same, details of which are as follows:

| Particulars  | Number of Shareholders | Number of Shares |
|--|------------------------|------------------|
| Aggregate number as at April 1, 2013   | 603                    | 75,236           |
| Number of shares claimed and transferred from the Unclaimed Suspense Account during the year | NIL                    | NIL              |
| Aggregate number as at March 31, 2014  | 603                    | 75,236           |

10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. For any communication, the shareholders may also send requests to the Company's investor email id: investorservices@rpgls.com.
12. Members who have not encashed their dividend warrant for the previous years, may approach the Company or the Registrar & Share Transfer Agent and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of seven (7) years shall be transferred to the Investor Education and Protection Fund as per the provisions of Section 205C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Fund, as above, no claim shall lie in respect thereof.
13. 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 the 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.
14. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
15. Members seeking any information on the Accounts are requested to write to the Company, which should reach the Company atleast one week before the date of the Annual General Meeting so as to enable the Management to keep

the information ready. Replies will be provided only at the Annual General Meeting.

## 16. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 7<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for members for voting electronically are as under:-**

### A. In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

|      | For Members holding shares in Demat Form and Physical Form  |
|------|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  |
|      | <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> </ul>   |
|      | <ul style="list-style-type: none"> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul> |
| DOB  | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |



|                       |  |
|-----------------------|--|
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.   |
|                       | <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul> |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of RPG LIFE SCIENCES LIMITED.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**B. In case of members receiving the physical copy:**

- (i) Please follow all steps from serial no. (i) to serial no. (xvi) above to cast vote.
- (ii) The voting period begins on Tuesday, September 16, 2014 (09.00 a.m. IST) and ends on Thursday, September 18, 2014 (06.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Friday, August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (iv) Ms. Jigyasa Ved of M/s. Parikh Parekh & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to receive and scrutinize the completed ballot forms and votes casted electronically by the members.
- (v) Members who do not have access to e-voting facility may send duly completed ballot form (enclosed with the Annual Report) so as to reach the Scrutinizer, at the address mentioned on the enclosed Business Reply Envelope not later than Thursday, September 18, 2014 (06.00 p.m. IST). Ballot form received after this date will be treated as invalid.

**By Order of the Board of Directors**

**Rajesh Shirambekar**  
**Head - Legal & Company Secretary**

**Registered office:**

RPG House  
 463, Dr. Annie Besant Road,  
 Worli, Mumbai 400 030.  
 Place: Mumbai  
 Date: July 24, 2014



## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5:

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 24, 2014 appointed Mr. Narendra Ambwani as an Additional Director of the Company and pursuant to the provisions of Section 161 of the Companies Act, 2013, Rules made thereunder and the Articles of Association of the Company. Mr. Ambwani would hold office upto the date of the ensuing Annual General Meeting. A brief profile of Mr. Ambwani is annexed hereto and forms part of the Notice.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ambwani for the office of Independent Director of the Company.

The Company has received from Mr. Ambwani, a declaration of independence under Section 149 (6) of the Companies Act, 2013.

In terms of Section 164 of the Companies Act, 2013, Mr. Ambwani is not disqualified from being appointed as an Independent Director and has given his consent in writing to act as Director of the Company.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Mr. Ambwani is appointed as an Independent Director from September 25, 2014 to September 24, 2019. Accordingly the Board of Directors recommends the Resolution as set out in Item No. 5 for approval of the shareholders.

Further the Board of Directors of the Company are of the opinion that Mr. Ambwani fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for being appointed as Independent Director and he is independent of the management.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Apart from Mr. Ambwani, none of the Directors or Key Managerial Personnel of the Company and their relatives, is concerned or interested in the Resolution. Mr. Ambwani does not hold any shares in the Company.

### Item No. 6 to 10

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. P. K. Mohapatra, Mr. Manoj Maheshwari, Mr. Mahesh Gupta, Mr. C. L. Jain and Dr. Lalit S. Kanodia as Independent Directors at various times, in compliance with the requirement of the said clause.

As per the provisions of Section 149 (4) of the Companies Act, 2013, which came into force with effect from April 1, 2014 every listed Company is required to have at least one-third of the total number of Directors as Independent Directors. Further Section 149 (10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and is not liable to retire by rotation pursuant to Section 149 (13) read with Section 152 of the Companies Act, 2013.

Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 24, 2014 has proposed the appointment of these Directors as Independent Directors from September 25, 2014 to September 24, 2019.

The Company has received Notices in writing from a Member alongwith the deposit of requisite amount under Section 160 of the

Companies Act, 2013 proposing the candidature of these Directors for the office of Independent Directors of the Company.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013. In the opinion of the Board, all the above Independent Directors are persons of integrity and possess appropriate skills, experience, knowledge and qualifications in their respective fields which are beneficial to the interests of the Company and fulfills the conditions specified under the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

Further, the above Independent Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent in writing to act as Directors of the Company.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Apart from the above referred Directors and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in the Resolutions set out at item nos.6 to 10 of the Notice.

The Board recommends these Ordinary Resolutions for approval of the Members.

The brief profiles of the Directors who are proposed to be appointed as Independent Directors are annexed hereto and forms part of the Notice.

### Item No. 11

Mr. Ajit Singh Chouhan was appointed as Managing Director for a period of 3 years with effect from April 9, 2013 on terms and conditions approved by the Board at its meeting held on May 7, 2013 and approval by the shareholders at the Annual General Meeting held on July 26, 2013, respectively.

In terms of Sections 196 of the Companies Act and Rules made thereunder, in case of inadequate profits, the provisions of Schedule V shall be applicable for payment of remuneration to Mr. Chouhan effective from April 1, 2014 till the remainder duration of his tenure.

The Nomination and Remuneration Committee has recommended and the Board of Directors approved in their respective meetings held on July 24, 2014, the payment of remuneration as stated herein below to Mr. Ajit Singh Chouhan as Managing Director of the Company with effect from April 1, 2014, for remainder of duration of appointment upto April 8, 2016 subject to approval of the shareholders in the General Meeting and the Central Government, if any.

The following is the statement of information for the members pursuant to paragraph 1 of Section II of Part II of Schedule V to the Act.

### I. GENERAL INFORMATION

#### (1) Nature of industry:

Pharmaceutical. The Company manufactures bulk drugs using both synthetic as well as complex fermentation technology and also a wide range of pharmaceutical formulations.

#### (2) Date of commencement of commercial production:

The pharmaceutical business acquired by the Company commenced production on May 15, 1969.



(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(4) **Financial performance:**

(Rs. in crores)

| Particulars                                  | 2013-14 | 2012-13 |
|--|---------|---------|
| Total Income                                 | 237.91  | 223.42  |
| Profit before interest, depreciation and tax | 14.04   | 17.85   |
| Interest                                     | 2.60    | 7.44    |
| Depreciation                                 | 10.61   | 9.87    |
| Profit before tax                            | 0.83    | 0.54    |
| Profit after tax                             | 53.40   | 4.41    |
| Equity capital (face value Rs. 8/-)          | 13.23   | 13.23   |
| Earnings per share (Rs.)                     | 32.29   | 2.67    |

(5) **Foreign investments or collaboration, if any:**

The Company did not have any foreign investment or collaboration.

## II. INFORMATION ABOUT THE APPOINTEE

### 1. Background details:

Mr. Ajit Singh Chouhan is a Bachelor of Mechanical Engineering, a qualified Marine Engineer and a MBA from FMS, New Delhi. He did his Engineering from M.S. University, Baroda and passed out with a distinction in 1982.

He has over 30 years of varied experience working in India and overseas. He has worked across various Industries in Engineering, Marine, Telecom and Power. Prior to joining the RPG Group, he worked with Ingersoll Rand, a US multinational in the Engineering industry and with Emerson, another US multinational company in their Network Power Group.

Mr. Chouhan leads the Transmission industry as the Mentor of the Transmission and Distribution Division of IEEMA (Indian Electrical and Electronics Manufacturers' Association). He is also a member of the IEEMA Council, an apex body of the Association.

Mr. Chouhan has also successfully participated in several Advanced Management Programs at the Mahler, USA and The London Business School.

Mr. Chouhan is also a director of Raychem-RPG Pvt. Ltd., Harrison's Malayalam Ltd. and Spencer International Hotels Ltd. Mr. Chouhan does not hold any equity shares in the Company.

### 2. Past remuneration:

The remuneration paid to Mr. Chouhan for the financial year 2013-14 was Rs. 170.22 lacs excluding perquisites and retiral benefits.

### 3. Recognition or awards:

Mr. Chouhan was honoured with the prestigious award of "CEO with HR Orientation" in recognition to the outstanding contribution to human resources development with the Company, at a glittering awards ceremony of the "Asia Pacific HRM Congress 2011".

Under the leadership of Mr. Chouhan, the Company was awarded 'The Most Popular HR Showcase Exhibit Award' at the 15th National HRD Network Conference held at Bangalore in November 2011. The Company was one of the 50 companies

chosen to showcase its differentiating HR practice. The reward and recognition process adopted by the Company was exhibited at the HR Showcase Event.

### 4. Job Profile and his suitability:

Mr. Ajit Singh Chouhan is a professional with high academic background. Mr. Chouhan is responsible for the overall conduct and management of business and affairs of the Company. This includes broad development of domestic and international business; providing strategic direction to the three business units of the Company; review of product portfolio in light of patent laws and continual introduction of new products; enhancement of manufacturing efficiencies and rationalization of costs; and the Company's entry in regulated market of US and setting up of appropriate manufacturing facilities and development thereof. Mr. Chouhan has successfully handled and overlooked domestic and international business of RPG Group Companies for many years. This coupled with his strong resources management capability makes him fully suitable for the position.

### 5. Remuneration:

The details of remuneration are as under:

|  |  |
|--|--|
| Basic Salary per month                             | Rs. 4,10,000   |
| Management Allowance per month                     | 100% of Basic Salary   |
| Other Allowances* per month                        | Upto Rs. 5,00,000  |
| HRA per month                                      | Company provided house (furnished or otherwise) or House Rent Allowances in lieu thereof.                  |
| Car  | One Company maintained car with driver for Company use. (Personal use will be to the account of incumbent) |
| Club Membership                                    | Monthly subscription to one club.  |
| Telephone per month                                | Rental and usage will be paid by the Company.  |
| Performance Bonus per annum                        | upto Rs. 20,00,000   |
| PF/ SAF/ Gratuity/ Leave Encashment                | As per Company Policy.   |
| Group Medical Insurance/ Group Term Life Insurance | As per Company Policy.   |
| Annual Increments                                  | upto 30% of CTC or as decided by the Nomination and Remuneration Committee/ Board                          |
| Maximum remuneration per annum                     | upto Rs. 3.00 crores   |

\* Other allowances includes Personal Pay, Medical, LTA, Meal Coupons, Education, Petrol & such other allowances as may be recommended by the Nomination and Remuneration Committee and determined by the Board from time to time.

### 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The Company has a paid up capital of Rs. 13.23 crores. The equity shares of the Company are listed on National Stock Exchange of India Ltd. and BSE Limited. The turnover of the Company is Rs. 237.91 crores in the year 2013-14. The Company has three factories. The factory at Navi Mumbai, Maharashtra manufactures bulk drugs using synthetic process. The bulk



drugs factory at Ankleshwar, Gujarat manufactures bulk drugs using complex fermentation process. The formulation factory at Ankleshwar, Gujarat, manufactures pharmaceutical formulations of various dosage forms. The Company also undertakes contract product development on the back of strong R&D division. The Company has work force of around 1,200 people. Given the size, complexity of the Company and sheer knowledge driven nature of business and also the profile of the position and Mr. Chouhan as given above, the proposed remuneration is in line with remuneration prevalent in the pharmaceutical industry for companies with similar size, complexity and profile of the position and position holder.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Mr. Ajit Singh Chouhan does not have any other pecuniary relationship, directly or indirectly, with the Company or any nature of relationship with the managerial personnel of the Company.

### III. OTHER INFORMATION

**1. Reasons of loss or inadequate profits:**

During the year under review, operations of the Company were adversely affected due to notice of non-compliance and a warning letter received from USFDA consequent to the pre-approval inspection of the Company's API facility at Navi Mumbai and formulation facility at Ankleshwar.

**2. Steps taken or proposed to be taken for improvement:**

The Company has initiated corrective action to meet the requirement of USFDA.

**3. Expected increase in productivity and profits in measurable terms:**

With new business initiatives undertaken by the Company, the productivity and profits are expected to improve in near term subject to favorable market conditions.

### IV. DISCLOSURES

1. The remuneration package of Mr. Chouhan, Managing Director is as stated above.
2. The disclosures as required on all elements of remuneration, service contract details, stock option details, etc. have been made in the Directors' Report under the heading "Corporate Governance" attached to in this annual report.

A copy of the Agreement dated May 7, 2013 entered into with Mr. Chouhan is open for inspection by Members at the Registered office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturdays, Sundays and public holidays upto the date of this Annual General Meeting.

The Board recommends the passing of the Special Resolution as set out in Item No. 11 of the accompanied notice.

No Director, Key Managerial Personnel or their relatives, except Mr. Chouhan, to whom the resolution relates, is interested or concerned in the resolution.

**Item No. 12**

The Board on recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Kirit Mehta & Co., Cost Auditor, to conduct the audit of the cost records in respect of pharmaceutical activities of the Company for the financial year ending March 31, 2015 on a remuneration not exceeding Rs. 2,00,000/- p.a., exclusive of all taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

**Item Nos. 13 & 14**

The members of the Company had, vide Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on August 27, 2008, inter alia, accorded their approval to the Board of Directors of the Company to borrow over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 125 Crores (Rupees One hundred Twenty Five Crores only).

The members had, vide their Ordinary Resolution passed under erstwhile Section 293(1)(a) of the Companies Act, 1956, at the Annual General Meeting of the Company held on August 27, 2008, inter alia, authorised the Board of Directors to create mortgage and/ or charge and/ or hypothecation on the whole or substantially the whole of the undertaking(s) or such other assets that the Company may acquire from time to time for securing any loans or financial facilities obtained by the Company.

Further vide General Circular 04/2014 dated March 25, 2014, issued by the Ministry of Corporate Affairs it was clarified that the resolutions passed by the companies under Section 293 of the Companies Act, 1956, prior to September 12, 2013, shall be valid for a period of one year only.

The present long term loans availed by the Company are within the limits stipulated under the Companies Act, 1956. However, considering need of funds for future expansion plans, the Company may have to borrow the funds from banks, institutions, etc.

Pursuant to Section 180 of the Companies Act, 2013, Special Resolution of members is required for authorising the Board of Directors to borrow monies exceeding the aggregate of the paid-up share capital and free reserve and creation of mortgage/charge on any of the properties of the Company.

Accordingly, Special Resolutions as set out in Item No. 13 & 14 of this Notice are recommended for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 13 & 14.

**By Order of the Board of Directors**  
**Rajesh Shirambekar**  
**Head - Legal & Company Secretary**

**Registered office:**

RPG House  
463, Dr. Annie Besant Road,  
Worli, Mumbai 400 030.  
Place: Mumbai  
Date: July 24, 2014



## ANNEXURE TO NOTICE

### DETAILS OF DIRECTORS' SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE ANNUAL GENERAL MEETING IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT.

|                       |  |
|-----------------------|--|
| Mr. C. Vinayaraghavan | <p>Mr. C. Vinayaraghavan is a Non-Executive Director. Mr. Vinayaraghavan has done his graduation in B.Sc. (Botany). He is working with Harrisons Malayalam Ltd. since last 36 years and is a President of the Company. Mr. Vinayaraghavan is also a Director of Vulcan Electricals Ltd., Spencer Information Services Limited, HML Engineering Company Limited, Harmony Plantations Limited and Malayalam Plantations Limited.</p> <p>Mr. Vinayaraghavan does not hold any equity shares in the Company.</p>   |
| Mr. Narendra Ambwani  | <p>Mr. Narendra Ambwani had a career of 34 years with Johnson &amp; Johnson, out of which 20 years as Managing Director in Indonesia and India. Currently, he serves on the Boards of Godrej Consumer Products Limited, Agro Tech Foods Limited and Indian Society of Advertisers. He is Vice-Chairman of Advertising Standards Council of India.</p> <p>He is a Bachelor of Electrical Engineering from IIT Kanpur and Post Graduate in Management from IIM, Ahmedabad. He completed professional training as CEO Coach at CFI, Chennai.</p> <p>He brings with him outstanding marketing and general management experience to the Board. He was responsible for developing very strong leadership brands such as Johnson Baby, Stayfree and Band-Aid during his long stint with world renowned multinational Johnson &amp; Johnson.</p> <p>Mr. Ambwani does not hold any equity shares in the Company.</p>  |
| Mr. P. K. Mohapatra   | <p>Mr. P. K. Mohapatra is a Non-Executive Independent Director of the Company. He has served as a member of RPG Group's Management Board between 1993 and 2008. He provided oversight to companies in the Technology and earlier, in Retail and Entertainment Sectors. During his career, he has significant experience in incubation of new businesses as well as nursing sick businesses back to health.</p> <p>Mr. Mohapatra's work has been documented in several case studies by IMD, Lausanne, INSEAD, Paris and IIM, Ahmedabad. He is Past Chairman of Confederation of Indian Industries - Southern Region, Past President, Madras Management Association and Member, Executive Council of AIMA. As a Co-founder of Executive Business Coaching Foundation, India, Mr. Mohapatra is very involved with the promotion of Executive Coaching as a new profession in India.</p> <p>Mr. Mohapatra is an Engineer from NIT, Rourkela and studied Management at Jamnalal Bajaj and Harvard Business School. He is also a graduate of Behavioural Coaching Institute, UK and was invited to be Fellow of Chartered Management Institute, UK.</p> <p>Mr. Mohapatra is a director of Saregama India Ltd., Zensar Technologies Ltd., Morarjee Textiles Ltd., Coaching Foundation India Ltd., Chennai Business School Ltd., Larsen &amp; Toubro Ltd. (Power T&amp;D Independent company), KMC Speciality Hospitals (India) Limited, Sterling Holiday Resorts (India) Limited and many privately held companies in India and Overseas. He also serves a number of Board Committees.</p> <p>Mr. Mohapatra does not hold any equity shares in the Company.</p> |
| Mr. Manoj Maheshwari  | <p>Mr. Manoj Maheshwari is a Non-Executive Independent Director of the Company. He is the Chairman of a large Non-Banking Financial Company as well as an active Angel Investor and Venture Capitalist. He is a graduate from the Bombay University with a major in Chemistry and has done his post graduation in Industrial Management. Mr. Maheshwari's work experience encompasses the project management, production, marketing, financial and general management areas of medium sized companies and is on the board of directors of a number of public and private companies as an executive/independent non-executive director and brings a judicious mix of entrepreneurial and professional skills to the various Boards that he serves on.</p> <p>Mr. Maheshwari is also a director of Hamilton &amp; Co. Ltd., Ador Weldings Ltd., Metro Shoes Ltd., Mahindra Ugine Steel Co. Ltd. and Mahindra CIE Ltd., in addition to several private limited companies. He also serves a number of Board Committees.</p> <p>Mr. Maheshwari does not hold any equity shares in the Company.</p>  |



|                             |   |
|-----------------------------|---|
| <p>Mr. Mahesh Gupta</p>     | <p>Mr. Mahesh Gupta is a Non-Executive Independent Director of the Company. He is also the Group Managing Director with Ashok Piramal Group. He oversees all the businesses of the Group which comprises mainly of Real Estate (Peninsula Land Limited), Textiles (Morarjee Textiles Ltd), Cutting Tools (Miranda Tools) and Auto Components (PMP Components Pvt. Ltd.). The Group has plants/ projects all over the Country and in Czech Republic.</p> <p>In his current role since 2005 he plays the role of formulating the Group's business strategy and steering the Group to achieve its goals. As a senior member in the Group, he plays a very significant role in guiding each business to attain profitable and sustained growth. Under his stewardship, the Group formulated an aggressive plan which has seen the businesses grow by leaps and bounds. Mr. Gupta leverages his in-depth understanding of the businesses to enhance the growth of the Group.</p> <p>Earlier he has been associated with the Piramal Group as Group CFO and had been on the Board of several Companies in the Piramal Group including whole-time Director of Nicholas Piramal India Ltd. (now Piramal Enterprises Ltd). Mr. Gupta has also worked with the RPG group as Group CFO and Management Board Member.</p> <p>Mr. Gupta has received a number of recognitions for his business acumen. He was awarded the CFO of the Year Award, Special Commendation for Financial Excellence (Mergers &amp; Acquisitions Category) by IMA (formerly known as EIU), New Delhi.</p> <p>Mr. Gupta is on the Board of several Public listed Companies such as Peninsula Land Limited, Morarjee Textiles Limited, Ceat Limited, Delta Corp Limited etc. From time to time he has also been associated with various Committees of The Institute of Chartered Accountants of India (ICAI), Member Governing Council of Indian Association Corporate CFOs &amp; Treasurers (InACT), Advisory Board of Chennai Business School. He also serves a number of Board Committees.</p> <p>Mr. Gupta has an Honours Degree in B.Com; L.L.B (Gen). Fellow Member of The Institute of Chartered Accountants and The Institute of Company Secretaries of India. He had an outstanding academic record and Third Rank Holder and a Silver Medalist in Company Secretaries Final examination.</p> <p>Mr. Gupta does not hold any equity shares in the Company.</p> |
| <p>Mr. C. L. Jain</p>       | <p>Mr. C. L. Jain is a Non-Executive Independent Director of the Company. He is a post graduate in commerce and also a member of Institute of Chartered Secretaries &amp; Administrators, London, Chartered Institute of Management Accountants, London, Institute of Management, London, Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Mr. Jain has very rich and vast experience in the field of finance and accounts, acquired over 41 years of working experience with various organizations including ICI, Hindustan Lever Ltd., Hoechst India Ltd. He was a visiting faculty member of the Bajaj Institute of Management and other institutes for two decades. He was also chairman of Banking and Finance Committee of the Bombay Chamber of Commerce and Industry for a period of 4 years.</p> <p>Mr. Jain is also a Director of Asit C. Mehta Investment Intermediates Ltd., United Breweries Ltd., NOCIL Ltd., and Pioneer Distilleries Ltd. in addition to several private limited companies. He also serves a number of Board Committees.</p> <p>Mr. Jain does not hold any equity shares in the Company.</p>  |
| <p>Dr. Lalit S. Kanodia</p> | <p>Dr. Lalit S. Kanodia is a Non-Executive Independent Director of the Company. He is also the Chairman of Datamatics Global Services Limited which was founded by him in 1975. He has a degree in Mechanical Engineering from IIT, Mumbai. Subsequently, he obtained an MBA and Ph.D., both from MIT, USA.</p> <p>Dr. Kanodia is the Founder CEO of TCS, which is today India's most valuable company, with a Market Cap of over \$70 billion.</p> <p>Dr. Kanodia is a Ford Foundation Fellow. He received the Distinguished Alumnus Award of IIT, Mumbai. He is one of the 10 persons included in the Hall of Fame, published by Dataquest alongwith late JRD Tata and our late Prime Minister Rajiv Gandhi.</p> <p>He has served as the Past President of the Management Consultants' Association of India and Chairman of the Electronic &amp; Computer Software Export Promotion Council (Western Region). He is Chairman of the IT Committee of Indian Merchants' Chamber. He is the past President of the Indo American Chamber of Commerce (Western Region). He has been a Member of the Executive Committee of NASSCOM. He also served on various Committees of the Government of India and the State of Maharashtra.</p> <p>He was also invited to deliver the convocation address to graduating MBA students by 4 institutes and was the main speaker at the Itochu (CTC) Annual Conference in Japan. Dr. Kanodia is on the Executive Board of MIT (Europe, Asia and Africa). While in the US, he was Consultant to the Ford Motor Company and Arthur D. Little. He has also taught at Jannalal Bajaj and MIT. He was also the Honorary Consul of Chile in Mumbai (2002-2014).</p> <p>Dr. Kanodia is a director of Datamatics Software Services Ltd., Datamatics Global Services Ltd. and Matix Fertilisers &amp; Chemicals Ltd. in addition to several private limited companies and companies incorporated outside India. He also serves a number of Board Committees.</p> <p>Dr. Kanodia does not hold any equity shares in the Company.</p>  |