

RANBAXY Trusted medicines. Healthier lives

RANBAXY LABORATORIES LIMITED

CIN: L24231PB1961PLC003747

Regd. Office: A-41, Industrial Area Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160 071 (Punjab)

E-mail: secretarial@ranbaxy.com Website: <http://www.ranbaxy.com>

NOTICE is hereby given that the **53rd Annual General Meeting** of Ranbaxy Laboratories Limited will be held on **Monday, July 28, 2014, at 10:30 A.M.** at Auditorium of The National Institute of Pharmaceutical Education and Research (NIPER), Sector-67, S.A.S. Nagar (Mohali)-160062, Punjab, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the 15 months period ended March 31, 2014 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Takashi Shoda (DIN-02436813) who retires by rotation and being eligible offers himself for re-appointment.
3. 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 of the Companies Act, 2013 (Act) and other applicable provisions if any of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. B S R & Co. LLP, (Registration No. 101248W), 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 till the conclusion of sixth Annual General Meeting, subject to ratification by the Shareholders at every Annual General Meeting and to fix their remuneration."

SPECIAL BUSINESS

4. 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) 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 Act, Dr. Anthony H. Wild (DIN-02454431), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation."
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, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) 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 Act, Mr. Akihiro Watanabe (DIN-02439360), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) 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 Act, Mr. Percy K. Shroff (DIN-02143003), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) 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 Act, Mr. Rajesh V. Shah (DIN-00033371), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation."
8. 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 of Sections 197, 200 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules and Regulations framed thereunder, the Memorandum and Articles of Association of the Company and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for payment of remuneration to the Non-Executive Directors of Company upto the amounts as mentioned hereinbelow:
 - (i) Rs.1.25 million for the period from January, 2014 to March, 2014 and Rs.5 million for the year 2014-15 to each of the Non-Executive Non-Independent Director of the Company.
 - (ii) Rs.2.5 million for the period from January, 2014 to March, 2014 and Rs.10 million for the year 2014-15 to each of the Independent Director of the Company."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or expedient to give effect to this Resolution."

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

"RESOLVED that in partial modification of the Resolution passed at the 51st Annual General Meeting of the Company held on May 8, 2012 and in accordance with provisions of Sections 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the Act, the Memorandum and Articles of Association of the Company and subject to the applicable regulatory and government approvals as may be required, the Company hereby accords its approval for payment of revised remuneration to Mr. Arun Sawhney (DIN-01929668), CEO & Managing Director of the Company effective April 1, 2014, for the remaining tenure of his appointment i.e. upto December 31, 2016, as under:

I. Salary: Not exceeding Rs.17,035,000 per annum with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors) to determine the salary and grant increases from time to time within the aforesaid limit.

II. Allowances & Perquisites: He will be entitled to perquisites, allowances, benefits, facilities and amenities (collectively "allowances & perquisites") such as furnished residential accommodation or house rent allowance in lieu thereof, furnishings, education allowance, utility allowance, quarterly allowance, medical reimbursement, leave travel reimbursement/allowance, membership fees for clubs, group hospitalisation insurance, group term insurance, travel insurance and any other "allowances & perquisites" as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time, provided that the aggregate value of such allowances and perquisites shall not exceed Rs.43,368,000 per annum. Allowances & Perquisites will be valued as per the Income-tax rules, wherever applicable and at actual cost to the Company in other cases.

III. Incentive Pay: The Board is authorised to determine and pay him Incentive Pay upto Rs.75 million per annum in one or more tranches."

"RESOLVED FURTHER that all others terms and conditions of the appointment of Mr. Arun Sawhney, CEO & Managing Director as approved by the Shareholders at the Annual General Meeting held on May 8, 2012, shall remain unchanged."

"RESOLVED FURTHER that in the event of absence or inadequacy of profits in any accounting year during the currency of the tenure of Mr. Arun Sawhney as the CEO & Managing Director, the above mentioned remuneration will be paid to him as minimum remuneration subject to the provisions of Schedule V to the Act."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to fix actual remuneration of Mr. Arun Sawhney, and revise it from time to time within the aforesaid ceilings."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or expedient to give effect to this Resolution."

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

"RESOLVED that subject to the applicable provisions of the Companies Act, 2013, Rules and Regulations framed thereunder, Guidelines and Regulations of the Securities and Exchange Board of India(SEBI)/Stock Exchanges and the applicable laws of the respective country, consent of the Company be and is hereby accorded for nomination of following Independent Directors of the Company as a Director on the Board of the major overseas subsidiaries of the Company:

1. Mr. Rajesh V. Shah
2. Dr. Anthony H. Wild
3. Mr. Percy K. Shroff
4. Mr. Akihiro Watanabe

"RESOLVED FURTHER that each of the Independent Director so nominated on the Boards of the subsidiary companies may receive remuneration from the respective subsidiary company by way of profit related commission up to Rs.15 million for each year commencing from the year 2014-15 and fees for attending Board meetings, as per applicable laws (excluding reimbursement of actual expenses incurred for attending the Board meetings)."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or expedient to give effect to this Resolution."

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

"RESOLVED that in supersession of the Resolution passed at the Extra-Ordinary General Meeting of the Company held on October 21, 2005 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (Act) and all other applicable provisions, if any, of the Act, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company to borrow monies together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto Rs.7,500 Crores (Rupees Seven Thousand Five Hundred Crores only) as outstanding at any time in excess of the aggregate of Paid-up Capital and Free Reserves of the Company from time to time."

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 Sections 148 (2) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and subject to approval of the Central Government, re-appointment of M/s. R.J. Goel & Co., Cost Accountants as Cost Auditors of the Company, to audit the cost accounts of Company for the year 2014-15 at a remuneration of Rs.12 lacs, be and is hereby ratified."

13. 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 23 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Report of Board of Directors of the Company, for considering causes of erosion of more than 50% of the Company's peak net worth during immediately preceding four financial years as on March 31, 2014 and the steps being taken by the Company in this regard, be and is hereby approved."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or expedient in this regard."

By Order of the Board

Place: Gurgaon
Dated: June 24, 2014

Sushil K. Patawari
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF NOT MORE THAN FIFTY MEMBERS AND HOLDING NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
3. M/s. Alankit Assignments Ltd. (Alankit), 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055 is the Registrar and Share Transfer Agent for physical shares of the Company. Alankit is also the depository interface of the Company with both NSDL and CDSL.
However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at the Corporate Office of the Company at Plot No. 90, Sector 32, Gurgaon-122001 (Haryana) Tel. No. 91-124-4135000, Registered Office at A-41, Industrial Area Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160071 (Punjab) and Head Office at 12th Floor, Devika Tower, 6, Nehru Place, New Delhi-110019 Tel No. 91-11-26237508; email address: secretarial@ranbaxy.com.
4. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
5. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to their depository participant only and not to the Company or its Registrar and Transfer Agent. The said intimation will be automatically reflected in the Company's records.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 19, 2014 to Monday, July 28, 2014 (both days inclusive).
7. The Company has transferred unclaimed amounts of dividends paid upto April 17, 2007, to the Investor Education and Protection Fund (IEPF) of the Central Government as required under Section 125(3) of the Companies Act, 1956. Members may please note that if unpaid dividend is not claimed from the Company for seven years from the date when it became due, it shall be transferred to the Investor Education and Protection Fund as stated above and it cannot be claimed from that Fund.
Members who have not encashed their dividend warrants within the validity period may write to the Company Secretary, Ranbaxy Laboratories Limited, Plot No. 90, Sector 32, Gurgaon-122001 (Haryana), for obtaining payment in lieu of such warrants.
8. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 9:30 A.M. to 1:00 P.M. except on holidays.
9. The Certificate from the Auditors of the Company certifying that the Employees Stock Option Schemes of the Company are being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions of the general body will be placed at the Annual General Meeting.
10. Members seeking any information relating to the Accounts may write to the Company at Plot No. 90, Sector 32, Gurgaon-122001 (Haryana), to the attention of Mr. S. K. Patawari, Company Secretary at the earliest.
11. Members/Proxies should bring the attendance slips duly filled in and signed for attending the Meeting.
12. Members who hold shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members are advised to avail of the nomination facility by filing Form SH-13 in their own interest. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
13. The Register of Directors and Key Managerial Personnel and their shareholding will be available for inspection at the meeting.

14. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

15. Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Listing Agreements with the Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

A. In case a Member receives an e-mail from NSDL [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)]:

(i) Open the e-mail and also open the attached PDF file namely "Ranbaxy e-Voting.pdf" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your "User ID" and "Password" for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the URL <https://www.evoting.nsd.com/>

(iii) Click on "Shareholder - Login".

(iv) If you are already registered with NSDL for e-voting then you can use your existing User ID and password and click Login.

(v) If you are logging in for the first time, please enter the User ID and password as initial password noted in step (i) above and click Login.

(vi) Password Change Menu appears. Change the password with a new password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

(vii) Home page of "e-Voting" opens. Click on e-Voting - Active Voting Cycles.

(viii) Select "EVEN" (Electronic Voting Event Number) of Ranbaxy Laboratories Limited.

(ix) Now you are ready for e-Voting as "Cast Vote" page opens.

(x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.

(xi) Upon confirmation, the message "vote cast successfully" will be displayed.

(xii) Once you have voted on the resolution, you will not be allowed to change/modify your vote.

(xiii) Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to officenns@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for Members whose e-mail addresses are not registered with the Company/Depository Participant(s)]:

(i) Initial password is provided in the enclosed 'Instruction for e-voting' form for the AGM

| EVEN | USER ID | PASSWORD / PIN |
|-------------|----------------|-----------------------|
|-------------|----------------|-----------------------|

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

II. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the Downloads section of <https://www.evoting.nsd.com>.

III. The e-voting period commences on **Tuesday, July 22, 2014 (9:00 A.M. IST) and ends on Thursday, July 24, 2014 (6:00 P.M. IST)**. During this period, Shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the relevant date of **June 20, 2014**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Shareholders, the Shareholders shall not be allowed to change it subsequently.

IV. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the relevant date of June 20, 2014.

V. Mr. Nityanand Singh, Practicing Company Secretary (Membership No. FCS-2668), has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

VI. The Scrutiniser shall, at least 3 working days from the conclusion of the e-voting period, unblock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VII. The Result shall be declared on or after the AGM. The Result declared alongwith the Scrutiniser's Report shall be placed on the Company's website www.ranbaxy.com and on the website of NSDL within 2 days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Brief Resume and other information in respect of Directors seeking appointment at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement

ITEM NO. 2

Mr. Takashi Shoda aged about 66 years is a graduate from Faculty of Pharmacy, Tokyo University. He was appointed as a Director of the Company on December 19, 2008.

Mr. Shoda immediately after completing his graduation in 1972 joined Sankyo Company, Limited, Japan ("Sankyo"), where he held various important positions mainly in International Operations Group. In June, 2001 he was elected as Director on the Board of Sankyo and concurrently assumed the position of General Manager, International Pharmaceutical Division. He was then promoted as the Managing Director in the following year and in June, 2003 became its President and Representative Director.

Daiichi Sankyo Company, Limited ("Daiichi Sankyo") was established in 2005, through the merger of Daiichi Pharmaceuticals Co. Ltd. and Sankyo Company, Limited, the two leading Japanese pharmaceutical companies. Mr. Shoda was Representative Director, President and CEO of Daiichi Sankyo from September 2005 to June 2010 and thereafter was the Chairman of Daiichi Sankyo till his retirement in June, 2014. Mr. Shoda has now been appointed as the Senior Corporate Adviser to Daiichi Sankyo.

He is a member of the Science Committee of the Company.

He is neither a Director on the Board nor holds committee membership of any other Indian company.

He does not hold any shares in the Company.

Nature of expertise in specific functional area - Pharmaceutical Business

The Board of Directors considers that in view of the background and experience of Mr. Shoda, it would be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends the Resolution for approval of the Shareholders.

Mr. Shoda is interested or concerned in the proposed Resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

ITEM NO. 4

Dr. Anthony H. Wild was appointed as a Director of the Company on December 19, 2008. In terms of the provisions of the Companies Act, 2013 (Act), an Ordinary Resolution for his appointment as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014 is proposed for consideration and approval of the Shareholders.

Dr. Wild aged about 66 years is a native of the U.K. where he graduated from the University of York with an honours degree in Chemistry and also holds a Ph.D. degree in Physical Chemistry from the University of Cambridge (Churchill College).

Until its acquisition by Meda AB of Sweden in August 2007, Dr. Wild was the Chairman of the privately-held MedPointe Pharmaceuticals Inc., a specialty pharmaceuticals company based in Somerset (NJ), having served also as CEO from 2001 to 2006.

Between 1995 and 2000, Dr. Wild worked for Warner-Lambert Company, of Morris Plains (NJ). Starting as President of Warner-Lambert's Parke-Davis (North America) unit, Dr. Wild was promoted to the positions of Executive Vice President and President of its global pharmaceutical sector in 1996.

Before joining Warner-Lambert, Dr. Wild spent 22 years with the Schering-Plough Corporation in Switzerland, Sweden, South Africa, the Netherlands and the United States, culminating as the Osaka-based President of its Japanese operations for six years.

He is a member of the Boards of Directors of several privately-owned specialty pharmaceutical and biotechnology companies. He also chairs the Board of Advisors of Ferrer, Freeman and Co, a healthcare private equity firm and is on the Board of Advisors of Auvon Therapeutics, a pharmaceutical venture fund. Earlier, he was a Director of the Boards of Allergan Inc., and Millennium Pharmaceuticals Inc.

He has been actively involved in various industry bodies. He was Governor of the American Chamber of Commerce in Japan, and Chairman of the International Section of Pharmaceutical Research and Manufacturers of America.

He is member of the following Committees of the Company:

1. Quality & Integrity Committee – Chairman
2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee
4. Audit Committee
5. Science Committee

He is neither a Director on the Board nor holds committee membership of any other Indian company.

He does not hold any shares in the Company.

Nature of expertise in specific functional area - Marketing Management and Company Operations - Pharmaceuticals.

The Company has received Notice along with requisite deposit from a member under Section 160 of the Act proposing the candidature of Dr. Anthony H. Wild as a Director of the Company.

The Company has received a declaration from Dr. Wild that he meets with the criteria of independence both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Board of Directors considers that in view of the background and experience of Dr. Wild, it would be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends the resolution for approval of the Shareholders.

Dr. Anthony H. Wild is interested or concerned in the proposed Resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

ITEM NO. 5

Mr. Akihiro Watanabe was appointed as a Director of the Company on December 19, 2008. In terms of the provisions of the Companies Act, 2013 (Act), an Ordinary Resolution for his appointment as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014 is proposed for consideration and approval of the Shareholders.

Mr. Watanabe aged about 55 years is a Japanese CPA and a graduate in Commerce and Accounting of Chuo University, Japan.

Mr. Watanabe is a founding partner of GCA and the founder of GCA's predecessor company, Global Corporate Advisor. He has more than 27 years of investment banking experience, providing advice in M&A transactions both in Japan and overseas. He has advised on over 1,000 M&A transactions.

Prior to founding Global Corporate Advisory in 2002, Mr. Watanabe spent 20 years with KPMG, primarily focusing on M&A advisory and M&A transaction related services for Japanese as well as US companies. He joined the New York office of KPMG in 1982 and became a Partner in the Corporate Finance Group in 1990. After 12 years in New York, he returned to KPMG in Japan and continued to focus on M&A advisory and gain experience in both domestic and cross-border deals.

Mr. Watanabe is also a visiting professor at the Business School at Kobe University and Chuo University, Japan as well as at the post graduate law school at Hitotsubashi University and a frequent speaker on industry panels related to M&A topics including cross border transactions, MBOs and takeover defense strategies.

He is the Chairman of the Audit Committee of the Company.

He is neither a Director on the Board nor holds committee membership of any other Indian company.

He does not hold any shares in the Company.

Nature of expertise in specific functional area - Management and Finance.

The Company has received Notice along with requisite deposit from a member under Section 160 of the Act proposing the candidature of Mr. Akihiro Watanabe as a Director of the Company.

The Company has received a declaration from Mr. Watanabe that he meets with the criteria of independence both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Board of Directors considers that in view of the background and experience of Mr. Watanabe, it would be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends the resolution for approval of the Shareholders.

Mr. Akihiro Watanabe is interested or concerned in the proposed Resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

ITEM NO. 6

Mr. Percy K. Shroff was appointed as a Director of the Company on March 27, 2009. In terms of the provisions of the Companies Act, 2013 (Act), an Ordinary Resolution for his appointment as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014 is proposed for consideration and approval of the Shareholders.

Mr. Shroff aged about 62 years is a graduate in Arts from Whittier College, California. He has immense experience in the medical field in Japan and India and was instrumental in establishing the India offices as well as business operations of Elekta AB, a Swedish multinational providing advanced clinical solutions, comprehensive information systems and services for efficient and high precision treatment of cancer and brain disorders. Since his joining in 1991, Mr. Shroff has held various managerial positions in the Elekta Group in India as well as overseas. In 1997, he was appointed as Managing Director-India Head of Elekta Instrument India Private Limited and in 2005 Managing Director of Elekta Medical Systems India Pvt. Ltd., a subsidiary of Elekta AB.

He is presently Non-Executive Chairman of Elekta Medical Systems. Before joining the Elekta Group he was with Manson K.K., Kobe, Japan as Manager of Overseas & Special Projects.

Mr. Shroff was a member of the Executive General Management Committee of Elekta worldwide and of its Asian Management Team.

He is member of the following Committees of the Company:

1. Nomination & Remuneration Committee
 2. Audit Committee
 3. Quality & Integrity Committee
 4. Corporate Social Responsibility Committee
 5. Shareholders' Grievance, Share Transfer & Stakeholders' Relationship Committee
 6. ESOPs Allotment Committee
 7. Allotment Committee (ESOP 2011)
- } Chairman

He is Director on the Boards of the following other companies:

1. Elekta Instrument India Private Limited
2. Elekta Medical Systems India Private Limited

He does not hold any shares in the Company.

Nature of expertise in specific functional area - Management and Corporate Governance.

The Company has received Notice along with requisite deposit from a member under Section 160 of the Act proposing the candidature of Mr. Percy K. Shroff as a Director of the Company.

The Company has received a declaration from Mr. Shroff that he meets with the criteria of independence both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Board of Directors considers that in view of the background and experience of Mr. Shroff, it would be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends the Resolution for approval of the Shareholders.

Mr. Percy K. Shroff is interested or concerned in the proposed Resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

ITEM NO. 7

Mr. Rajesh V. Shah was appointed as a Director of the Company on December 19, 2008. In terms of the provisions of the Companies Act, 2013 (Act), an Ordinary Resolution for his appointment as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014 is proposed for consideration and approval of the Shareholders.

Mr. Shah, aged about 63 years has obtained his Master of Arts degree from the University of Cambridge, UK and Masters in Business Administration degree from the University of California, Berkeley. He also attended an Executive Management Programme at the Harvard Business School, USA.

Mr. Shah is the Co-Chairman and Managing Director of Mukand Ltd. He has in the past served as an Independent Director on the Board of Directors of ONGC Limited and Hindustan Petroleum Corporation Limited. He has also served as President of the CII and held leadership positions in the Young Presidents Organisation (YPO).

He is member of the following Committees of the Company:

1. Nomination & Remuneration Committee - Chairman
2. Audit Committee

He is Director and member of Committees of the Boards of the following other companies:

Directorship

Mukand Ltd. - Co-Chairman & Managing Director

Mukand Engineers Ltd. - Chairman

Kalyani Mukand Ltd.

Jeewan Ltd.

Mukand Sumi Metal Processing Ltd

Rajvi Engineering & Investments Pvt. Ltd.

Akhil Investments & Trades Pvt. Ltd.

Kshitij Holdings & Engineering Pvt. Ltd.

Jyoti Shah Premises & Investments Pvt. Ltd.

Bengal Port Pvt. Ltd.

Amar Jyoti Agro Co. Pvt. Ltd.

Amivir Agro Co. Pvt. Ltd.

Anant Jeewan Agro Co. Pvt. Ltd

Sunnydays Agro Co. Pvt. Ltd.

Kulpi Port Holding Pvt. Ltd.

KVS Energy Pvt. Ltd.

Rajpriya Agro Co. Pvt. Ltd.

Eastern Gateway Terminals Pvt. Ltd.

He does not hold any shares in the Company.

Nature of expertise in specific functional area - Management and Corporate Governance.

The Company has received Notice along with requisite deposit from a member under Section 160 of the Act proposing the candidature of Mr. Rajesh V. Shah as a Director of the Company.

The Company has received a declaration from Mr. Shah that he meets with the criteria of independence both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Member of Committees of the Board

Mukand Engineers Ltd.

- Shareholders'/Investors' &
Grievances Committee

Jeewan Limited

- Audit Committee

- Nomination Committee

The Board of Directors considers that in view of the background and experience of Mr. Rajesh V. Shah, it would be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends the resolution for approval of the Shareholders.

Mr. Rajesh V. Shah is interested or concerned in the proposed Resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

ITEM NO. 8

The Shareholders of the Company at the Annual General Meeting held on May 8, 2012 had approved the payment of remuneration of Rs.5 million to each of the Non-Executive Non-Independent Director and Rs.10 million to Independent Director for the years 2011, 2012 & 2013. In view of the loss incurred by the Company in the year 2012, the Central Government on an application made by the Company, had approved the payment of remuneration of Rs.4.8 million for the year ended December 31, 2012 to each of the Non-Executive Director and Rs.3.1 million to Dr. Kazunori Hirokawa (pro-rata from the date of his appointment as a Director of the Company) which has already been paid to the Non-Executive Directors.

As the Company had changed its financial year to April - March, therefore the financial year 2013-14 was for a period of fifteen months. Hence approval of the Shareholders is being sought to pay remuneration upto Rs.1.25 million to each of the Non-Executive Non-Independent Director for the period from January, 2014 to March, 2014 and upto Rs.5 million for the year 2014-15 and upto Rs.2.5 million to each of the Independent Director for the period from January, 2014 to March, 2014 and upto Rs.10 million for the year 2014-15 subject to the approval of the Central Government. The Nomination & Remuneration Committee and the Board of Directors have approved payment of said remuneration to the Non-Executive Directors subject to requisite approvals.

The Board recommends the Resolution for approval of the Shareholders.

All the Non-Executive Directors may be deemed to be interested or concerned in the proposed Resolution. None of the Key Managerial Personnel of the Company or their relatives are interested or concerned in the proposed Resolution.

ITEM NO. 9

The Shareholders of the Company at the Annual General Meeting held on May 8, 2012 had approved the appointment of Mr. Arun Sawhney as CEO & Managing Director of the Company for a period of five years and payment of remuneration to him for a period of three years effective January 1, 2012.

Remuneration to Mr. Sawhney for the year 2013-14 was paid in accordance with the approval of the Shareholders, provisions of the Companies Act, 1956 and Notification issued by the Ministry of Corporate Affairs.

Mr. Sawhney's present actual remuneration has reached ceiling limits fixed by the Shareholders. Accordingly, it is proposed to revise ceiling of remuneration of Mr. Sawhney effective April 1, 2014 for the remaining tenure of his appointment i.e. upto December 31, 2016.

The Nomination & Remuneration Committee and the Board of Directors have approved and recommended the revised ceiling of remuneration to Mr. Arun Sawhney effective April 1, 2014, subject to requisite approval.

In view of the loss incurred by the Company, payment of remuneration to Mr. Sawhney would be subject to the approval of the Central Government in terms of the provisions of Schedule V of the Companies Act, 2013.

The Board recommends the Resolution for approval of the Shareholders.

Mr. Sawhney is interested or concerned in the proposed Resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

The Notice read with Explanatory Statement should be considered as written Memorandum setting out the terms of remuneration of Mr. Arun Sawhney as CEO & Managing Director as required under Section 190 of the Companies Act, 2013.

Statement pursuant to the provisions of clause (B) of Section II of Part II of Schedule V to the Companies Act, 2013 with respect to Item No. 9

The particulars required to be disclosed in the Explanatory Statement in accordance with provisions of clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013, are given below:

I. General Information

(1) Nature of Industry:

Ranbaxy Laboratories Limited (hereinafter referred to as "Ranbaxy/the Company") was incorporated on 16th June, 1961, is amongst India's largest pharmaceutical company. It is an integrated, research based, international pharmaceutical company producing a wide range of quality, affordable generic medicines, trusted by healthcare professionals and patients across geographies. Ranbaxy's continued focus on R&D has resulted in several approvals, in developed and emerging markets many of which incorporate proprietary Novel Drug Delivery Systems (NDDS) and technologies, developed at its own labs. Ranbaxy serves its customers in over 150 countries and has an expanding international portfolio of affiliates, joint ventures and alliances, ground operations in 43 countries and manufacturing operations in 8 countries.

(2) Date or expected date of commercial production:

The Company commenced its manufacturing operations in 1962.

(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 based on given indicators:

The financial performance of the Company in last three years is as under:

A. Standalone:

(Rs. in million)

| Financial Parameters | As per the audited financials for the year | | |
|------------------------------------------------|--------------------------------------------|------------|-------------|
| | 2013-14 | 2012 | 2011 |
| Sales | 66,570.39 | 61,124.43 | 74,758.96 |
| Profit/(Loss) before exceptional items and tax | (3,668.84) | 2,169.42 | 7,236.15 |
| Net Profit/ (Loss) | (8,789.95) | (1,623.39) | (3,0520.49) |

B. Consolidated:

(Rs. in million)

| Financial Parameters | As per the audited financials for the year | | |
|-----------------------------------------|--------------------------------------------|------------|-------------|
| | 2013-14 | 2012 | 2011 |
| Sales | 130,403.24 | 122,528.94 | 99,700.02 |
| Profit before exceptional items and tax | 1,225.75 | 14,720.53 | 10,480.04 |
| Net Profit/ (Loss) | (10,852.52) | 9,227.64 | (28,997.29) |

(5) Export performance and net foreign exchange collaborations: The details of earnings of the Company in foreign currency are as under:**(Rs. in million)**

| Particulars | As per the audited financials for the year | | |
|------------------------------------------|--------------------------------------------|-----------|-----------|
| | 2013-14 | 2012 | 2011 |
| F.O.B value of exports (excluding Nepal) | 36,621.78 | 37,856.87 | 54,114.79 |
| Royalty/Technical consultancy fees | 503.39 | 538.17 | 613.16 |
| Interest | 177.99 | 104.54 | 131.18 |
| Dividend | 6,121.32 | 10.04 | 11.83 |
| Others [freight, insurance etc.] | 1,728.70 | 1,006.10 | 944.20 |

(6) Foreign investments or collaborators: The details of the direct overseas subsidiaries of the Company are as under:

| Sl. No. | Name of the Entity | Description of Investment | Number of Shares/ Securities & Shareholding | Amount (Rs. in million) |
|---------|---------------------------------------------|--------------------------------------------|---------------------------------------------|-------------------------|
| 1. | Ranbaxy (Netherlands) B.V., The Netherlands | Ordinary Shares of Face Value EUR 100 each | 5,473,340 | 39,839.40 |
| 2. | Ranbaxy Pharmacie Generiques SAS, France | Equity Shares of Face Value EUR 1 each | 24,116,505 | 4,709.11* |
| 3. | Ranbaxy (Malaysia) Sdn. Bhd., Malaysia | Ordinary Shares of Face Value RM 1 each | 3,189,248 | 36.56 |
| 4. | Ranbaxy (Nigeria) Ltd., Nigeria | Ordinary Shares of Face Value Naira 1 each | 13,070,648 | 7.40 |

*During the period, the Company had created a provision for diminution in value of its investments for the entire amount of Rs.4,709.11 million.

Besides the above, the Company also has a total of 33 overseas step-down subsidiary companies. The names and other financial details about these subsidiaries have been disclosed in Schedules to the Balance Sheet forming part of the Annual Report of the Company.

II. Information about the appointee:**(1) Background details**

Mr. Arun Sawhney, aged about 59 years, is an alumnus of International Management Institute (IMI), Delhi and a graduate in Commerce from Sydenham College of Commerce, Mumbai University.

Mr. Sawhney joined Ranbaxy in May 2008 and was elevated to the position of President-Global Pharmaceutical Business in January 2010. He was appointed as Managing Director of the Company effective August 20, 2010, for a period of three years and re-designated as CEO & Managing Director effective August 5, 2011.

The Board of Directors of the Company in its meeting held on February 23, 2012 re-appointed Mr. Arun Sawhney as CEO & Managing Director of the Company for a period of five years effective January 1, 2012.

Prior to joining Ranbaxy, Mr. Sawhney was the President of API Business at Dr. Reddy's Laboratories Limited. He had worked with Ranbaxy earlier also. He has over three decades of experience and has held senior functional and management positions in several global pharmaceutical companies like Bayer India Limited, Hindustan Ciba-Geigy and Max-Gb. Mr. Sawhney is one of the founder members of the Pharmaceuticals Export Promotion Council (Pharmexcil) and was a member of Advisory Board of US Pharmacopeial Convention (USP) in India.

(2) Past Remuneration

Total remuneration of Rs.1,360.48 million (excluding retiral benefits) was paid to Mr. Arun Sawhney for the fifteen months period from January 1, 2013 to March 31, 2014. Remuneration to Mr. Arun Sawhney for the period 2013-14 was paid in accordance with the approval of the Shareholders, provisions of the Companies Act, 1956 and Notification issued by the Ministry of Corporate Affairs.

(3) Recognition or awards

Mr. Sawhney is one of the founder members of the Pharmaceuticals Export Promotion Council of India (Pharmexcil) and was a member of the Advisory Board of the United States Pharmacopeia (USP) in India. He was also the Chairman of the Confederation of Indian Industry (CII)'s National Committee on Drugs & Pharmaceuticals and is a Member of the India-Malaysia CEOs Forum, the India-South Africa CEOs Forum, the India-Russia CEOs Forum and the India Africa Business Council constituted by the Government of India. Mr. Sawhney was been Chairman of the Pharmaceutical Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI). He is also a member of the Academic Advisory Council of the International Management Institute (IMI), Delhi, India.

(4) Job profile and suitability

Ranbaxy serves its customers in over 150 countries and has an expanding international portfolio of affiliates, joint ventures and alliances, ground operations in 43 countries and manufacturing operations in 8 countries. Mr. Arun Sawhney, as CEO & Managing Director, is responsible for spearheading the Company's global operations, overseeing and managing growth and in synergising complex operations, providing leadership at the helm of a global organisation with more than 15,000 people from divergent nationalities and cultures.

Under the leadership of Mr. Arun Sawhney:

- a) Ranbaxy became the first pharmaceutical company of Indian origin to have surpassed sales of \$2 billion.
- b) In the United States of America, Ranbaxy successfully launched Atorvastatin with 180 days exclusivity (Generic Lipitor®; Innovator: Pfizer) on November 30, 2011. The Company also capitalised on Caduet® as an authorised generic, (a fixed dose combination of Atorvastatin + Amlodipine). Lipitor is the largest drug in the world with U.S. sales of \$7.9 billion (IMS 2010) while market size of Caduet in the U.S. is \$339 million. Ranbaxy is also the first Company to launch generic Atorvastatin in Australia, Italy, Germany, Netherlands & Sweden.
- c) Ranbaxy's new age anti-malarial product, Synriam™, has cured more than one million patients in India since its launch in April 2012. This drug was the first New Drug to be approved out of research in India. The Company has filed New Drug Applications for marketing Synriam™ in many African countries and expect to launch the product in some countries in the African continent this year. In recognition of its contribution towards fostering R&D capabilities in the country, Synriam™ won the ASSOCHAM Innovation Excellence Platinum Award in 2013. During the year, Ranbaxy also received approval for Synriam™ (addressing plasmodium vivax malaria) which is the other major cause for malaria contributing to almost half of the malaria cases worldwide.
- d) The Company has made considerable progress on the R&D front, during the fifteen months period under review, R&D team filed 271 product dossiers globally, 10 Abbreviated New Drug Applications (ANDAs) in the US and 19 in Europe. Clinical Pharmacology & Pharmacokinetics (CPP) and Clinical Pharmacology Units (CPUs), located in India, and BA/BE Units, located in Romania, successfully completed inspections by the US FDA in the first quarter of 2014.

The Company has amongst the highest number of brands in Top-30 of the Indian Pharmaceutical market. Within its participating markets, the Company's Over-the Counter (OTC) business division ranks No. 1 in India. This division of the Company was recognised as the OTC Company of The Year at the 4th Annual Pharmaceutical Summit 2011. Revital has been adjudged as the 4th largest brand in the Indian Pharmaceutical Market and has been awarded several awards. In the topical analgesic category, Volini was the largest brand and was also recognised as "Star OTC brand" for 2013 by Nicholas Hall. The Company's other OTC brands such as Volini and Revital Woman too have won awards in their respective categories while the other brands viz. Pepfiz, Chericof, Garlic Pearls, Revital Senior, Revitalite and Pepflux have also carved a niche for themselves in the respective markets.

(5) Remuneration proposed

The terms of the remuneration proposed to be paid to Mr. Arun Sawhney have been specified in the Resolution.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his origin)

The Company has operations spanning over 150 countries and has an expanding international portfolio of affiliates, joint ventures and alliances, ground operations in 43 countries and manufacturing operations in 8 countries. The remuneration proposed to be paid to Mr. Arun Sawhney is in line with remuneration of CEOs & Managing Directors of other companies having global operations, keeping in view his job profile, the size and complexity of the business of the Company.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Mr. Arun Sawhney is not related to any other Director as well as Managerial Personnel of the Company. He does not have any pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity of CEO & Managing Director of the Company.

III. Other Information:

(1) Reasons for loss:

1. Settlement with US Department of Justice (DOJ):

The Company has settled with the US DOJ for resolution of civil and criminal allegations as per the decree of the court of Maryland and has paid a settlement amount of US\$ 515.40 million (including interest expense and other related cost). The settlement amount has been apportioned between the Company and its US subsidiaries. Exceptional items include settlement amount apportioned to the Company. Interest expense, loss on account of changes in exchange rate and other related cost are presented in the relevant heads of Statement of Profit and Loss.

2. Loss on foreign currency derivatives:

The Company has outstanding foreign currency derivative contracts transacted in years 2007 and 2008. There has been significant depreciation in the value of Rupee versus the US \$ during the last 3 years; as a consequence of which the Company has incurred loss amounting to Rs.11,242.85 million, Rs.412.05 million and Rs.3,279.16 million during the accounting years 2011, 2012 and 2013-14 respectively.

3. Stock provision /write off:

In the year 2012, the Company had made a voluntary recall of Atorvastatin tablets in US market due to potential presence of small foreign particles. Accordingly, the Company had to provide for an amount of Rs.2,370.20 million in the year 2012. Further, in the fifteen months period 2013-14, US FDA imposed certain terms of the Consent Decree on Mohali and Toansa plants. As a result of this an amount of Rs.3,557.92 million was provided for towards stock provision/write off.

4. Provision for Diminution in the value of Investments:

The Company made a provision for diminution in the value of investments in its subsidiaries and an associate company amounting to Rs.1,030 million in the year 2012 and Rs.3,764.07 million in the 15 months period ended March 31, 2014. Further, the depreciation and impairment expense for the 15 months period ended March 31, 2014 include a charge of Rs.485.26 million on account of impairment of the vaccine plant at Bangalore due to prevalent adverse market conditions.

(2) Steps taken or proposed to be taken for improvement:

1. Exceptional charges not expected to recur:

The exceptional charges incurred during the last three years are not likely to recur. The management has taken a number of corrective measures for improving its business and manufacturing processes thereby ensuring the quality and compliances.

2. Improvement in base business and key product launches:

Focus on branded business, improvement in the product mix and greater marketing synergies are expected to result in increased margins. Certain key product launches scheduled for the future should also help improve profitability, subject to obtaining regulatory approvals.

3. Focus on cost containment:

The management has taken many initiatives for cost containment. The result of this is reflected in reduction of costs under various heads viz. cost of goods sold, manpower and other costs etc. These initiatives would yield results for the Company in the coming years.

4. Rationalising operations:

The Company, with the advice of experts, has initiated an action plan to rationalise and simplify its processes which would result in further efficiencies from its operations.

5. Research & Development (R&D):

The Company's R&D strategy is focused on improving the speed and yield of generic product pipeline while curtailing the cost and overheads simultaneously. This will be achieved through improved product selection, focus on value creation through leveraging a single formulation across markets and implementation of R&D project management system. In addition to generic product development, the Company's R&D has established a plan for creating certain differentiated products.

(3) Expected increase in productivity and profits in measurable terms:

In addition to steps proposed to be taken for improvement as detailed hereinabove, the focus would be on improvement on manufacturing efficiencies, cost optimisation, investment in human resource and global quality standards thereby achieving increase in productivity and maximisation of profits.

IV. Disclosures

The requisite disclosures of remuneration package etc. of Mr. Arun Sawhney have been made in the Report on Corporate Governance which forms part of the Annual Report

ITEM NO. 10

From the corporate governance point of view, it is proposed that following Independent Directors of the Company be nominated as a Director on the Board of major overseas subsidiaries of the Company:

1. Mr. Rajesh V. Shah
2. Dr. Anthony H. Wild
3. Mr. Percy K. Shroff
4. Mr. Akihiro Watanabe

With the diverse professional expertise, knowledge and experience, these Directors would substantially add value and provide guidance in the operations and strategic matters of the subsidiary companies. The Nomination & Remuneration Committee and the Board of Directors had approved for nomination of the aforesaid Independent Directors on the Board of major overseas subsidiary companies for which each of the Independent Director may receive remuneration from the respective subsidiary company by way of profit related commission up to Rs.15 million for each year commencing from the year 2014-15 and fees for attending Board meetings as per applicable laws (excluding reimbursement of actual expenses incurred for attending the Board meetings) subject to regulatory provisions in India and that of the respective country in this regard.

The Board recommends the resolution for approval of the Shareholders.

All the aforesaid Independent Directors are interested or concerned in the proposed Resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

ITEM NO. 11

The Shareholders of the Company at the Extra-ordinary General Meeting held on October 21, 2005 had authorised the Board, through an Ordinary Resolution, to borrow monies upto Rs.5,000 Crores in excess of the aggregate of paid-up capital and free reserves of the Company. As per the provisions of Section 180 of the Companies Act, 2013, this authority requires approval of the Shareholders by way of a Special Resolution. The Rules notified in this regard require the companies to pass Special Resolution of the Shareholders within a period of one year from the date of notification of this section i.e. by September 12, 2014.

Presently, the Company has borrowings of about Rs.3,400 Crores. With a view to meet the requirement of additional borrowing as may arise from time to time, consent of the Shareholders is sought to authorise the Board to borrow up to Rs.7,500 Crores (Rupees Seven Thousand Five Hundred Crores) as outstanding at any time in excess of the Paid-up Capital and Free Reserves of the Company from time to time at set out in the Resolution.

The Board recommends the Resolution for approval of the Shareholders.

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

ITEM NO. 12

The Audit Committee and the Board has approved the appointment of M/s. R.J. Goel & Co., Cost Accountants as Cost Auditors for audit of the cost accounts for the year 2014-15 at a remuneration of Rs.12 lacs.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2014-15.

The Board recommends the Resolution for approval of the Shareholders.

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

ITEM NO. 13

Pursuant to the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, if the accumulated loss of Company, as at the end of any financial year have resulted in erosion of 50% or more of its peak net worth during the immediately preceding four financial years, the Company is required to:

- (i) report the fact of such erosion to the Board for Industrial and Financial Reconstruction ("BIFR"); and
- (ii) hold general meeting of the Shareholders of the Company for considering report as to such erosion and the causes for the same.

As per standalone accounts for the year ended March 31, 2014, accumulated loss of the Company amounting to Rs.34,102.65 million have resulted in erosion of more than 50% of its peak net worth (of Rs.51,280.17 million) during the immediately preceding four financial years.

The reasons for such causes and the measures being taken by the Company have been spelt out in the Report forming part of the Report of the Board of Directors.

The Board recommends the Resolution for the approval of the Shareholders.

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

By Order of the Board

Place: Gurgaon
Dated: June 24, 2014

Sushil K. Patawari
Company Secretary