



# Notice

## **ALEMBIC PHARMACEUTICALS LIMITED, Alembic Road, Vadodara - 390 003.**

Notice is hereby given that the 2nd Annual General Meeting of the Members of Alembic Pharmaceuticals Limited will be held at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003, on Thursday, the 9th August, 2012 at 4:00 p.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To receive and adopt the audited Balance Sheet and Statement of Profit & Loss of the Company for the year ended on 31st March, 2012 and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. R. K. Baheti, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. G. Ramanathan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### **SPECIAL BUSINESS**

To transact the following business as special business:

6. **To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 181 of the Articles of Association of the Company be and is hereby altered and replaced with following:

'181. The Seal, its custody and use

The Directors shall provide a Common Seal for the purpose of the Company and shall have the power from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of Directors or committee of Directors previously given. Every Deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by duly constituted attorney of the Company, be signed by anyone of the officials authorised by the Board for the purpose, provided nevertheless that the certificates of shares or debentures may be sealed and signed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and their statutory modifications for the time being in force.' "

7. **To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 314 and any other applicable provisions of the Companies Act, 1956 read with Companies Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to such approvals including the approval of Central Government, as may be required, the consent of the Company be and is hereby accorded to revise the remuneration of Mr. Shaunak Amin, and for holding an office or place of profit under the Company as President-Formulations in the Company, with effect from 1st April, 2012 or such other date as may be approved by Central Government, on the remuneration and on such terms and conditions as recommended by the Board of Directors at its meeting held on 25th April, 2012 and set out hereinbelow with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration from time to time.

- Basic Salary: Upto maximum of ₹ 7,25,000/- per month.
- HRA, Kit Allowance, Transport Allowance upto a maximum of ₹ 4,02,710/- per month as per the rules and policy of the Company from time to time.
- Contribution to Provident fund, Superannuation fund and payment of gratuity as per the rules of the Company.
- Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- Over and above, he will also be entitled to variable pay, linked with the performance, not exceeding 12 month's basic salary, as may be decided by the Board.
- Reimbursement of business expenses, including expenses relating to telephone at residence and mobile, incurred by him for the purpose of business of the Company.

The total remuneration payable to Mr. Shaunak Amin on Cost To Company (CTC) basis shall not exceed ₹ 250 lacs per annum.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to consider and sanction increment and / or promotion of Mr. Shaunak Amin as it may deem fit and proper.

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**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to agree to such modification and/or variation as may be suggested by Central Government while granting its approval.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 314 and any other applicable provisions of the Companies Act, 1956 read with Companies Director’s Relatives (Office or Place of Profit) Rules, 2003 and subject to such approvals including the approval of Central Government, as may be required, the consent of the Company be and is hereby accorded to revise the remuneration of Mr. Udit Amin, and for holding an office or place of profit under the Company as Chief Business Development Officer in the Company, with effect from 1st April, 2012 or such other date as may be approved by Central Government, on the remuneration and on such terms and conditions as recommended by the Board of Directors at its meeting held on 25th April, 2012 and set out hereinbelow with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration from time to time.

- Basic Salary : Upto maximum of ₹ 6,50,000/- per month
- HRA, Kit Allowance, Transport Allowance upto a maximum of ₹ 3,68,235/- per month as per the rules and policy of the Company from time to time.
- Contribution to Provident fund, Superannuation fund and payment of gratuity as per the rules of the Company.
- Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- Over and above, he will also be entitled to variable pay, linked with the performance, not exceeding 12 month’s basic salary, as may be decided by the Board.
- Reimbursement of business expenses, including expenses relating to telephone at residence and mobile, incurred by him for the purpose of business of the Company.

The total remuneration payable to Mr. Udit Amin on Cost To Company (CTC) basis shall not exceed ₹ 225 lacs per annum.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to consider and sanction increment and / or promotion of Mr. Udit Amin as it may deem fit and proper.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to agree to such modification and/or variation as may be suggested by Central Government while granting its approval.”

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

“**RESOLVED THAT** in conformity with the provisions of Article 139 of the Articles of Association of the Company and pursuant to the provisions of Section 309(4) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory approvals as may be necessary, authority be and is hereby accorded to the payment of commission to the Non-Executive Independent Directors of the Company (other than the Managing Director and/or Whole-Time Directors or Executive Director) to be determined by the Board of Directors for each Non-Executive Independent Director for each financial year over a period of 5 (five) years commencing from the financial year ending on 31st March, 2012 up to and including financial year of the Company ending as on 31st March, 2016, to be calculated in accordance with the provisions of Sections 198, 349 and 350 and other provisions, if any, of the Companies Act, 1956 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the maximum limit of 0.50% (half percent) of net profits of the Company, in addition to the sitting fees being paid by the Company for attending the Board/Committee Meetings of the Company.

**NOTES :**

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members of the Company will remain closed from **Thursday, the 2nd August, 2012 to Thursday, the 9th August, 2012 (both days inclusive)**, for the purpose of payment of dividend.
4. The dividend when sanctioned will be made payable on or after 14th August, 2012, to those members whose names stand on the Register of Members of the Company on 2nd August, 2012 in case of Physical shares and to those members as per the beneficiary position to be given by NSDL and CDSL. Members are requested to notify promptly any change in their registered addresses.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting.

# Notice

6. Shareholders who have not encashed their dividend warrants for the financial year ended on 31st March, 2011 are requested to approach the Company or the R & T Agents of the Company.
7. All the work related to share registry in terms of both - physical and electronic - are being conducted by Company's R & T Agents - M/s. Link Intime India Pvt. Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020. Tel: (0265) 2356573, 2356794 Fax: (0265) 2356791 Email: vadodara@linkintime.co.in. The Shareholders are requested to send their communication to the aforesaid address in future.

Registered Office:  
Alembic Road,  
Vadodara - 390 003.  
Date : 25th April, 2012

By Order of the Board,  
**R.K. Baheti**  
Director-Finance &  
Company Secretary

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## Explanatory Statement as required under Section 173 of the Companies Act, 1956

### Item No. 6

The present clause for Common Seal in the Articles of Association of the Company requires that the Common Seal be affixed in the presence of at least one Director and Secretary or any other authorised person who shall sign the same. Considering the growth of the Company's business and number of documents that require Common Seal to be affixed, it becomes very difficult to ensure availability of one of the Directors of the Company, every time the Documents are to be executed. Therefore, it is proposed to amend the said article suitably so that the Common Seal can be affixed in the presence of the person authorised by the Board for the purpose.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is deemed to be concerned or interested in the said Resolution.

### Item No. 7

The Members of the Company at the Annual General Meeting held on 29th August, 2011 approved the revision in remuneration of Mr. Shaunak Amin President-Formulation of the Company with effect from 1st April, 2011 on the following terms and conditions which is the same as presently proposed and mentioned hereunder:

- Basic Salary: Upto maximum of ₹ 7,25,000/- per month.
- HRA, Kit Allowance, Transport Allowance upto a maximum of ₹ 4,02,710/- per month as per the rules and policy of the Company from time to time.
- Contribution to Provident fund, Superannuation fund and payment of gratuity as per the rules of the Company.
- Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- Over and above, he will also be entitled to variable pay, linked with the performance, not exceeding 12 month's basic salary, as may be decided by the Board.
- Reimbursement of business expenses, including expenses relating to telephone at residence and mobile, incurred by him for the purpose of business of the Company.

The total remuneration payable to Mr. Shaunak Amin on Cost To Company (CTC) basis shall not exceed ₹ 250 lacs per annum.

However, the Central Government vide letter No. SRNo. B16445579/2/2011-CL.VII dated 26th December, 2011 approved the total remuneration payable to Mr. Shaunak Amin of only ₹ 92.40 lacs per annum.

Mr. Shaunak Amin studied Economics at University of Massachusetts, USA. He has worked with Merrill Lynch where he has got exposure of managing client portfolios and analyzing equity options & its impact on evaluation of financial securities. He has also worked at Hongkong & Shanghai Banking Corporation in UK in its Credit support function. He has extensive & varied experience in sales & marketing. Mr. Shaunak Amin is working as President-Formulation. The Strategic Business Unit which is headed by Mr. Shaunak Amin employs more than 3000 employees. Mr. Shaunak Amin has given significant contribution for development of Formulation Business of the Company. His current salary is not commensurate with the role and responsibility carried out by him as President-Formulations. Accordingly, the Board of Directors in their meeting held on 25th April, 2012 unanimously approved the revision in the remuneration package of Mr. Shaunak Amin, President-Formulations as mentioned above.

Your Directors recommend the resolution for your approval.

Mr. C.R. Amin and Mr. Pranav Amin are deemed to be concerned or interested in the said Resolution as relatives of Mr. Shaunak Amin.

None of the other Directors of the Company is deemed to be concerned or interested in the said Resolution.

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## Item No. 8

The Members of the Company at the Annual General Meeting held on 29th August, 2011 approved the revision in remuneration of Mr. Udit Amin, Chief Business Development Officer of the Company with effect from 1st April, 2011 on the following terms and conditions which is the same as presently proposed and as mentioned hereunder:

- Basic Salary : Upto maximum of ₹ 6,50,000/- per month
- HRA, Kit Allowance, Transport Allowance upto a maximum of ₹ 3,68,235/- per month as per the rules and policy of the Company from time to time.
- Contribution to Provident fund, Superannuation fund and payment of gratuity as per the rules of the Company.
- Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- Over and above, he will also be entitled to variable pay, linked with the performance, not exceeding 12 month's basic salary, as may be decided by the Board.
- Reimbursement of business expenses, including expenses relating to telephone at residence and mobile, incurred by him for the purpose of business of the Company.

The total remuneration payable to Mr. Udit Amin on Cost To Company (CTC) basis shall not exceed ₹ 225 lacs per annum.

However, the Central Government vide letter No. SRNo. B16446023/2/2011-CL.VII dated 26th December, 2011 approved the total remuneration payable to Mr. Udit Amin of only ₹ 83.16 lacs per annum.

Mr. Udit Amin studied Economics with a focus on International trade at University of Michigan, USA. He has worked in regulatory department at Ivax, UK. His job role at Ivax included, helping management choose filing strategy for multiple countries within Europe. He worked extensively on turn around project of Paushak Limited. Mr. Udit Amin has been working with this Company as Chief Business Development Officer since 1st September, 2005. The Central Projects Cell is headed by Mr. Udit Amin. Mr. Udit Amin has given significant contribution for development of the Company. His current salary is not commensurate with the role and responsibility carried out by him as Chief Business Development Officer. Accordingly, the Board of Directors in their meeting held on 25th April, 2012 unanimously approved the revision in the remuneration package of Mr. Udit Amin, Chief Business Development Officer as mentioned above.

Your Directors recommend the resolution for your approval.

Mr. C.R. Amin and Mr. Pranav Amin are deemed to be concerned or interested in the said Resolution as relatives of Mr. Udit Amin.

None of the other Directors of the Company is deemed to be concerned or interested in the said Resolution.

## Item No. 9

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole-time employment of the Company nor a managing director may be paid remuneration by way of commission, if the Company by special resolution, authorizes such payment. The contribution from the Non-Executive and Independent Directors has been significant on various strategic decisions as well as operational issues. The Board of Directors are of the opinion that, in order to remunerate the Non-Executive and Independent Directors of the Company (other than the Managing Director and/or Whole-time Directors and Executive Directors), for the responsibilities entrusted upon them under the law particularly with the requirements of the Companies Act, 1956 and Corporate Governance norms, the current trends and commensurate with the time devoted and the contribution made by them, subject to such statutory approvals as may be necessary, commission in terms of Section 309 of the Companies Act, 1956, be paid to the Non-Executive and Independent Directors of the Company.

The Board of Directors of the Company have approved payment of commission to Non-Executive and Independent Directors of the Company, within the maximum limit of 0.50% percent of net profits of the Company, to be determined by the Board of Directors for each Non-Executive and Independent Director for each financial year, over a period of five years commencing from the financial year ended 31st March, 2012 up to 31st March, 2016.

In addition to the Commission on the net profits as aforesaid, each Non-Executive Director of the Company is presently entitled to a fee of ₹ 20,000/- per attended meeting of the Board and Committees. Section 309 of the Companies Act, 1956 requires approval of members of the Company by passing a Special Resolution in General Meeting for payment of remuneration by way of commission to Non-Executive Directors of the Company.

Your Directors recommend the Resolution for your approval. All Non-Executive and Independent Directors of the Company namely, Mr. K. G. Ramanathan, Mr. Milin Mehta, Mr. Pares Saraiya and Mr. Pranav Parikh are concerned or interested in the Resolution to the extent of the remuneration that may be received by them.

Registered Office:  
Alembic Road,  
Vadodara - 390 003.  
Date : 25th April, 2012

By Order of the Board,  
**R.K. Baheti**  
Director-Finance &  
Company Secretary