

MINUTES BOOK

MINUTES OF THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF NEULAND LABORATORIES LIMITED HELD ON FRIDAY, THE 10TH DAY OF AUGUST, 2012 AT 2.30 P.M. AT THE GRAND BALL ROOM, TAJ KRISHNA, ROAD NO. 1, BANJARA HILLS, HYDERABAD - 500 034

PRESENT

Directors:

Dr. D. R. Rao	Chairman & Managing Director
Mr. D. Sucheth Rao	Whole Time Director & CEO
Mr. D. Saharsh Rao	Whole Time Director & President
Mr. G.V.K. Rama Rao	Director
Mr. S.B. Budhiraja	Director
Mr. H. Dhanrajgir	Director
Mr. P.V. Maiya	Director
Dr. Christopher M Cimarusti	Director

In Attendance

Mr. N.S. Viswanathan	Vice President - Finance
Ms. Sarada Bhamidipati	Company Secretary

Members: 314
Proxies: 81

After ascertaining the quorum, the Company Secretary, Ms. Sarada Bhamidipati, welcomed the shareholders to the 28th Annual General Meeting and declared that the Register of Director's shareholding was open for inspection to the members of the company. She then requested Dr. D.R.Rao, Chairman, to preside over the meeting.

Dr. D.R. Rao, Chairman, commenced the proceedings of the meeting. The Chairman welcomed the shareholders to the 28th Annual General meeting and introduced the Directors present on the dais to the Shareholders. The notice convening the Annual General Meeting and the Directors' Report was taken as read with the consent of all the members.

The Chairman, in his Speech apprised the members of the company's performance during the financial year 2011-12, the future outlook and thanked the members for their positive response to the Rights Issue and Postal Ballot.

The Chairman thereafter requested Mr. N.S. Viswanathan, Vice President Finance, to read the Auditor's Report and Mr. N.S. Viswanathan read the report.

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The Chairman then requested the members to take up the agenda items:

ITEM NO. 1

Adoption of Accounts

The Chairman moved the resolution as an ordinary resolution for adoption of audited accounts as at March 31, 2012 and reports of the auditor's and director's thereon.

The Chairman moved the resolution for adoption of accounts for the Financial Year ended 31st March 2012. In this regard the Chairman initiated a discussion on accounts by inviting questions from the shareholders. Before the resolution was put to vote, the Chairman initiated a discussion on accounts by inviting questions from the members. The following members discussed on non-declaration of dividend, Rights Issue, Postal ballot and general financial matters of the company.

Mr. Shantilal C Shah (Folio No. 1203070000178377)

Mr. Ashok Chand (Folio No. IN30021410750106)

Mr. Bharat Shah (Folio No. 1202330300016339)

Mr. Kamal Kishore Jhawar (Folio No. 1205450000007701)

Mr. Ramesh Golla (Folio No. 1203150000101508)

Mr. Shujath Ali Khan (Folio No. 1205450000015647)

Mr. Srinivas (Folio No. IN30286310296167)

Mr. Subba Rao (Folio No. IN30002010223554)

Mr. Krishna Gopal Gupta (Folio No. IN30160410800481)

Md. Afzalur Rahman Sufi (Folio No. 0017201)

Mr. Shankerlal Laddha (Folio No. 0009356)

Mrs. Jayshree Chavda (Folio No. 0009204)

The Chief Executive Officer of the Company replied to all the queries to the satisfaction of members.

Resolution: Ordinary

Mr. Shujath Ali Khan proposed the resolution and Mr. Shantilal C Shah seconded the resolution.

"RESOLVED THAT the Balance Sheet of the company as at March 31, 2012, the Profit and Loss account of the company for the year ended on that date and the Cash Flow Statement of the company for that year along with the report of the Director's and Auditor's thereon be and are hereby received, considered and adopted."

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The resolution was put to vote and was passed with requisite majority by the Share holders present at the meeting.

ITEM NO. 2

To appoint a Director in place of Mr. G.V.K.Rama Rao, who retires by Rotation and being eligible offers himself for re-appointment as a Director

Mr. Shantilal C Shah proposed the resolution and Mr. Afzalur Rahman Sufi seconded the resolution.

"RESOLVED that Mr. G.V.K. Rama Rao be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

The resolution was put to vote and was passed with requisite majority by the Share holders present at the meeting.

ITEM NO. 3:

To appoint a Director in place of Dr. Christopher M Cimarusti, who retires by Rotation and being eligible offers himself for re-appointment as a Director

Mr. A. G. Gupta proposed the resolution and Mr. Shantilal C Shah seconded the resolution.

"RESOLVED that Dr. Christopher M. Cimarusti, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

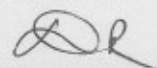
ITEM NO. 4:

To appoint Statutory Auditors for the year ending 31st March 2012

Mr. Shantilal C Shah proposed the resolution and Mr. A. G. Gupta seconded the resolution.

"RESOLVED THAT M/s. K. S. Aiyar & Co., Chartered Accountants (Registration No. 100186W), be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of

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all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2013."

The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

The Chairman, being interested in resolutions under Item Nos. 5, 6 and 7, requested Mr. Humayun Dhanrajgir, Director, to Chair the meeting.

ITEM NO. 5:

Re-appointment and fixing of remuneration of Mr. D. Saharsh Rao

Mr. Kamal Kishore Jhawar proposed the resolution and Mr. Shujath Ali Khan seconded the resolution.

"RESOLVED THAT pursuant to the provisions of Section(s) 198, 269, 309 and 310 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, subject to approvals as may be required, and pursuant to the Articles of Association of the Company, Mr. D Saharsh Rao, be and is hereby re-appointed as Whole Time Director designated as President - Contract Research for a period of (3) three years effective from 1st June 2012.

RESOLVED FURTHER THAT approval be and is hereby granted pursuant to sub-paragraph (B) of paragraph (1) of Section 2 of Part - II of Schedule XIII to the Companies Act, 1956, subject to approvals as may be required under applicable law, for payment of monthly remuneration not exceeding Rs.4,00,000/- to Mr. D. Saharsh Rao, as Whole time Director of the Company designated as President Contract Research, in the following manner for a period of (3) three years, in the event of loss or inadequacy of profits in each of the financial years effective from June 1, 2012.

a. Salary: Rs.3,50,000/- per month

b. Perquisites : He will be entitled to perquisites, allowance, benefits, facilities and amenities (collectively called "perquisites") such as unfurnished residential accommodation, medical reimbursement, leave travel assistance / allowance, membership fees of clubs, hospitalization and accident insurance, security at residence and any other perquisites as per policy/ rules of the Company in force or as may be approved by the Board from time to time provided that aggregate cost to the Company of such perquisites does not exceed Rs.6,00,000/- per annum.

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

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

II. Gratuity payable at a rate not exceeding half a month's salary for each completed year or service, and,

III. Encashment of leave at the time of retirement.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and revise the individual components of the above remuneration as may be agreed to by the Board and Mr. D Saharsh Rao.

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

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

The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

ITEM NO. 6

Fixing of Remuneration of Dr. D. R. Rao

Mr. Kamal Kishore Jhawar proposed the resolution and Mr. A. G. Gupta seconded the resolution.

"RESOLVED THAT approval be and is hereby granted pursuant to sub-paragraph (B) of paragraph (1) of Section 2 of Part - II of Schedule XIII to the Companies Act, 1956, subject to approvals if any required under applicable law, for payment of monthly remuneration not exceeding Rs.4,00,000/- to Dr. D.R.Rao, Chairman and Managing Director, in the following manner for a period of (2) two years, in the event of loss or inadequacy of profits in each of the financial years effective from 1st April 2012.

a. *Salary*: Rs.3,50,000/- per month

b. *Perquisites* : He will be entitled to perquisites, allowance, benefits, facilities and amenities (collectively called "perquisites") such as unfurnished residential accommodation, medical reimbursement, leave travel assistance / allowance, membership fees of clubs, hospitalization and accident insurance, security at residence and any other perquisites as per policy/ rules of the Company in force or as may be approved by the Board from time to time provided that aggregate

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cost to the Company of such perquisites does not exceed Rs. 6,00,000/- per annum.

RESOLVED FURTHER THAT in addition to the above, Dr. D.R.Rao will also be entitled to the following benefits as per policy/ rules of the Company in force or the Board may approve as from time to time, which shall not be included in the computation of the ceiling on remuneration specified above .

- I. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- II. Gratuity payable at a rate not exceeding half a month's salary for each completed year or service, and,
- III. Encashment of leave at the time of retirement.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary and revise the individual components of the above remuneration as may be agreed to by the Board and Dr. D.R.Rao.

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

The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

ITEM NO. 7

Fixing of Remuneration of Mr. D. Sucheth Rao

Mr. A.G. Gupta proposed the resolution and Mr. Shujath Ali Khan seconded the resolution.

"RESOLVED THAT approval be and is hereby granted pursuant to sub-paragraph (B) of paragraph (1) of Section 2 of Part - II of Schedule XIII to the Companies Act, 1956, subject to approvals if any required under applicable law, for payment of monthly remuneration not exceeding Rs.4,00,000/- to Mr. D. Sucheth Rao, as Whole time Director and CEO of the Company, in the following manner for the balance period of his tenure, i.e., till July 31, 2013, in the event of loss or inadequacy of profits in each of the financial years effective from 1st April 2012.

- a. Salary: Rs.3,50,000/- per month

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b. Perquisites : He will be entitled to perquisites, allowance, benefits, facilities and amenities (collectively called "perquisites") such as unfurnished residential accommodation, medical reimbursement, leave travel assistance / allowance, membership fees of clubs, hospitalization and accident insurance, security at residence and any other perquisites as per policy/ rules of the Company in force or as may be approved by the Board from time to time provided that aggregate cost to the Company of such perquisites does not exceed Rs. 6,00,000/- per annum.

RESOLVED FURTHER THAT in addition to the above, Mr. D. Sucheth Rao will also be entitled to the following benefits as per policy/ rules of the Company in force or the Board may approve as from time to time, which shall not be included in the computation of the ceiling on remuneration specified above.

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

II. Gratuity payable at a rate not exceeding half a month's salary for each completed year or service, and,

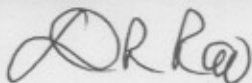
III. Encashment of leave at the time of retirement.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary and revise the individual components of the above remuneration as may be agreed to by the Board and Mr. D. Sucheth Rao.

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

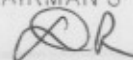
The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

There being no other business to transact the meeting ended with a vote of thanks to the Chair.



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1. For purposes of this resolution, the term "person" shall include any individual, partnership, corporation, association, trust, estate, or other entity, whether or not organized under the laws of the United States or any other country, and shall include any person who is a partner, officer, director, or shareholder of the Company or who is a partner, officer, director, or shareholder of any company in which the Company has a significant ownership interest. The term "person" shall also include any person who is a partner, officer, director, or shareholder of any company in which the Company has a significant ownership interest.

RESOLVED FURTHER THAT in addition to the above, Mr. D. Richard Lee will also be entitled to the following benefits as per policy/ rules of the Company in force at the time of his appointment to the Board, which shall not be included in the compensation of the Chief Executive Officer as set forth above.

2. The Board shall also be entitled to the following benefits as per policy/ rules of the Company in force at the time of its appointment to the Board, which shall not be included in the compensation of the Chief Executive Officer as set forth above.

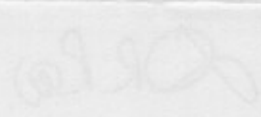
3. The Board shall also be entitled to the following benefits as per policy/ rules of the Company in force at the time of its appointment to the Board, which shall not be included in the compensation of the Chief Executive Officer as set forth above.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary and revise the terms and conditions of the above remuneration as may be agreed to by the Board and Mr. D. Richard Lee.

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

The resolution was put to vote and was passed unanimously by all the Shareholders present at the meeting.

There being no other business to transact the meeting ended with a vote of thanks to the Chair.


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