

Nectar Lifesciences Ltd.

NecLife

Ref: NLL\CS\2010-706

Dated: 04.10.2010

1. National Stock Exchange of India Limited
'G' Block, Exchange Plaza, Bandra Kurla Complex,
Bandra (East), MUMBAI - 400 051.
2. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
MUMBAI - 400 001.

Subject: Copies of Minutes of AGM and Memorandum and Article of Association of the Company

Sirs,

Pursuant to clause 31 of the Listing Agreement, please find enclosed herewith the copy of Minutes of Annual General Meeting (AGM) of Members held on 29.09.2010.

Further, in the said AGM the Members have resolved to alter the Articles of Association of the company.

In this regard, pursuant to clause 33 of the Listing Agreement, please find enclosed herewith 6 copies of amended Memorandum & Articles of Association of the company.

This is for your information and record please.

Yours faithfully,
For Nectar Lifesciences Limited

(Sunder Lal)
Company Secretary

Encl. as above





NECTAR LIFESCIENCES LIMITED

MINUTES OF THE 15TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S NECTAR LIFESCIENCES LIMITED HELD ON WEDNESDAY, THE 29TH DAY OF SEPTEMBER, 2010 AT 10.00 A.M. AT REGISTERED OFFICE AND WORKS OF THE COMPANY AT VILLAGE SAIDPURA, TEHSIL DERABASSI, DISTT. S.A.S. NAGAR (MOHALI) PUNJAB.

PRESENT:

MR. SANJIV GOYAL
MR. VIJAY J. SHAH
MR. SAURABH GOYAL

CHAIRMAN & MANAGING DIRECTOR
DIRECTOR
EXECUTIVE DIRECTOR

MEMBERS IN PERSON
MEMBERS BY PROXY

23
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IN ATTENDANCE:

- | | |
|---------------------------|---------------------------|
| 1. MR. A. K. SATSANGI | SENIOR PRESIDENT |
| 2. MR. SANDEEP GOEL | VICE PRESIDENT (FINANCE) |
| 3. MR. SUNDER LAL | COMPANY SECRETARY |
| 4. MR. RAVI KANT AGGARWAL | VICE PRESIDENT (ACCOUNTS) |

Mr. Sanjiv Goyal, Chairman being present, took the chair and after quorum was ascertained, the proceedings were started.

The Register of Proxies placed before the meeting. Thereafter, Register of Directors' Shareholding and Auditors Report together with annexure thereto were also placed before the Meeting and it was informed to the Members that the registers and auditors' report were available for inspection.

Mr. Sunder Lal, Company Secretary welcomed the members to the 15th Annual General Meeting of the company and the quorum being in order and with the permission of the Chair, he started with the proceedings of the meeting.

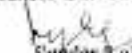
1. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED BALANCE SHEET AS AT MARCH 31, 2010 AND THE PROFIT & LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED THAT DATE TOGETHER WITH THE REPORTS OF DIRECTORS AND THE AUDITORS THEREON.

Copies of the Balance Sheet as at March 31, 2010 and the Profit & Loss Account for the period ended on that date along with the Directors' Report thereupon having already been sent to the members along with the notice of the meeting were taken as read.

The Chairman informed the Members that during the year 2009-10:
Sales and other income were up by 15.11%.
Profit before interest and depreciation were up by 47.01%.
Profit before tax was up by 74.80%.

Certified to be true copy

For Nectar Lifesciences Limited


Sunder Lal
Company Secretary

Chairman asked Mr. Sunder Lal, Company Secretary to read out the Auditors' Report and annexure thereto on Annual Accounts of the Company. Then, Mr. Sunder Lal, Company Secretary read the Auditors' Report and annexure thereto.

Mr. Vijay J. Shah, Chairman of Audit Committee invited comments of members on the financial statements. There being no comments, then Mr. Rakesh Kumar proposed and Mr. H.R. Chaudhary seconded the following resolution, which was passed by the meeting unanimously:

"RESOLVED THAT the Audited Balance Sheet as at March 31, 2010 and the Profit & Loss Account for the Financial Year ended on that date, together with the Reports of Board of Directors and the Auditors thereon, circulated to members and laid before this meeting be and are hereby received, considered and adopted."

2. TO CONFIRM THE PAYMENT OF INTERIM DIVIDEND OF ₹ 0.25 PER SHARE, AS DECLARED BY THE BOARD OF DIRECTORS AS ON JANUARY 15, 2010.

The members were informed that during the Financial Year 2009-10 the Company had declared an Interim Dividend @ 25% on the equity shares of the company. In view of the ongoing expansion and diversification projects, the directors did not recommend any more dividends for the financial year 2009-10 and the interim dividend so declared may be treated as final dividend.

The matter was discussed and the following resolution was passed unanimously:

"RESOLVED THAT 25% interim dividend of ₹ 0.25 per equity share amounting ₹ 3,80,65,242.50, as declared by the Board of Directors in their Meeting held on January 15, 2010 out of the profits of the Company for the nine months ends on December 31, 2009 and paid to the Members whose names appeared in the Register of Members as on January 22, 2010 be and is hereby ratified, confirmed and approved."

3. TO APPOINT A DIRECTOR IN PLACE OF MR. VIJAY J. SHAH WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.

The members were informed that Mr. Vijay J. Shah was retiring as a Director of the company at this Annual General Meeting and being eligible, he had offered himself for being re-appointed. The Board had recommended his re-appointment.

Mr. Sunder Lal, Company Secretary informed the members that the brief profile of the Mr. Vijay J. Shah and his shareholding in the company was given in the Corporate Governance Report of the company.

Thereafter, Mr. Joga Singh proposed and Mr. R. B. Yadav seconded the following resolution, which was adopted unanimously by the meeting:



"RESOLVED THAT Mr. Vijay J. Shah who retires from the board at the ensuing Annual General Meeting in accordance with the provision of Article 147 of the company's Article of Association be and is hereby re-appointed as a director of the company whose period in office will be liable to end by rotation."

4. TO APPOINT AUDITORS AND FIX THEIR REMUNERATION.

The Meeting was informed that M/s Datta Singla & Co., Chartered Accountants were the Statutory Auditors of the company. In pursuance of Section 224 of the Companies Act, 1956, they would retire at this Annual General Meeting of the company. Being eligible, they had offered themselves for re-appointment and had certified that their appointment, if made, would be within the limits specified in Section 224(1B) of the Companies Act, 1956.

Mr. Inderjit Singh proposed and Mr. Rakesh Kumar seconded the following resolution, which was adopted unanimously:

"RESOLVED THAT M/s Datta Singla & Co., Chartered Accountants, SCO 2935-36, Sector 22-C, Chandigarh, the retiring auditors of the company and who have offered their services and being eligible, be and are hereby re-appointed as statutory auditors of the company to hold office until the conclusion of the next Annual General Meeting of the Company and that the remuneration of the auditors shall be fixed by the Mr. Sanjiv Goyal, Chairman & Managing Director, after considering the volume of work."

5. TO APPOINT MR. VIVEK SETT AS A DIRECTOR OF THE COMPANY

The members were informed that on February 18, 2010 Mr. Vivek Sett had been appointed as an Additional Director and vacated his office at this Annual General Meeting. However, the company had received a notice under section 257 of the Companies Act, 1956 along with a deposit of rupees five hundred, from a member signifying his intention to propose the candidature of Mr. Vivek Sett as a regular director of the company.

Mr. Sunder Lal, Company Secretary informed the members that the brief profile of the Mr. Vivek Sett and his shareholding in the company was given in the explanatory statement attached to the notice of the company.

Mr. H. R. Chaudhary proposed and Mr. Rakesh Kumar seconded the following ordinary resolution, which was adopted unanimously after discussion:

"RESOLVED THAT Mr. Vivek Sett who was appointed as an additional director of the company by the Board of directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing under section 257 proposing his candidature for the office of director, be and is hereby appointed as a director of the company, who will not be liable to retire by rotation."





6. TO APPOINT DR. (MAJ. GEN.) S. S. CHAUHAN, VSM AS A DIRECTOR OF THE COMPANY

The members were informed that on February 19, 2010 Dr. (Maj. Gen.) S. S. Chauhan, VSM had been appointed as an Additional Director and vacated his office at this Annual General Meeting. However, the company had received a notice under section 257 of the Companies Act, 1956 along with a deposit of rupees five hundred, from a member signifying his intention to propose the candidature of Dr. (Maj. Gen.) S. S. Chauhan, VSM as a regular director of the company.

Mr. Sunder Lal, Company Secretary informed the members that the brief profile of the Dr. (Maj. Gen.) S. S. Chauhan, VSM and his shareholding in the company was given in the explanatory statement attached to the notice of the company.

Mr. Joga Singh proposed and Mr. R. B. Yadav seconded the following ordinary resolution, which was adopted unanimously after discussion:

"RESOLVED THAT Dr. (Maj. Gen.) S. S. Chauhan, VSM who was appointed as an additional director of the company by the Board of directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing under section 257 proposing his candidature for the office of director, be and is hereby appointed as a director of the company, who will be liable to retire by rotation."

7. TO APPOINT MR. RAMAN KAPUR AS A DIRECTOR OF THE COMPANY

The members were informed that on February 19, 2010 Mr. Raman Kapur had been appointed as an Additional Director and vacated his office at this Annual General Meeting. However, the company had received a notice under section 257 of the Companies Act, 1956 along with a deposit of rupees five hundred, from a member signifying his intention to propose the candidature of Mr. Raman Kapur as a regular director of the company.

Mr. Sunder Lal, Company Secretary informed the members that the brief profile of the Mr. Raman Kapur and his shareholding in the company was given in the explanatory statement attached to the notice of the company.

Mr. H. R. Chaudhary proposed and Mr. Rakesh Kumar seconded the following ordinary resolution, which was adopted unanimously after discussion:

"RESOLVED THAT Mr. Raman Kapur, who was appointed as an additional director of the company by the Board of directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing under section 257 proposing his candidature for the office of director, be and is hereby appointed as a director of the company, who will be liable to retire by rotation."

8. TO REVISE THE REMUNERATION OF MR. DINESH DUA, WHOLETEIME DIRECTOR OF THE COMPANY



The Members were informed that Mr. Dinesh Dua had joined the company in the year 2007 as a Chief Executive Officer with directly reporting to the Managing Director. Based on his performance in the Company, the Board of Directors vide resolution dated November 28, 2008 had appointed him as a Wholtime Director designated as Chief Executive Officer & Director on a monthly remuneration of ₹ 8,00,000/- per month. He was also entitled to some perquisites to the extent of ₹ 1 Lacs per annum. Considering the prevailing industry scenario and the performance of the company, the remuneration of Mr. Dua was further revised:

1. To ₹ 880,000/- per month with effect from October 1, 2009 till March 31, 2010 by the Board of Directors in their meeting held on October 20, 2009 with a bonus of ₹ 840,000/- for the financial year 2009-10.
2. To ₹ 966,000/- per month with effect from 01.04.2010 to the end of his tenure i.e. upto 27.11.2013 by the Board of Directors in their meeting held on May 28, 2010 with a bonus equivalent of his one month salary.

Members were requested to approve and ratify the revised remuneration of Mr. Dinesh Dua as embodied in the resolution.

Mr. Rajneesh Kaushal proposed and Mr. Inderjit Singh seconded the following special resolution, which was adopted unanimously after discussion:

*RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 & 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as, "the Act"), read with Schedule XIII, and pursuant to the provisions of Memorandum and Articles of Association of the Company the consent of the Members be and is hereby accorded to the revision of remuneration of Mr. Dinesh Dua, Wholtime Director designated Chief Executive Officer & Director of the company as per followings:

1. With Effect from October 1, 2009 till March 31, 2010 on the terms and conditions including remuneration as are set out hereinbelow:
 - a) Salary: ₹ 880,000.00 (Rupees Eight Lac Eighty Thousand only) per month.
 - b) He is also entitling to bonus of ₹ 840,000.00 for the financial year 2009-2010.
 - c) Perquisites: He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to ₹ 1.00 lacs per annum.
2. With Effect from April 1, 2010 till the end of his tenure i.e. 27.11.2013 on the terms and conditions including remuneration as are set out hereinbelow:
 - a) Salary: ₹ 966,000.00 (Rupees Nine Lac Sixty Six Thousand only) per month or such other increment as may be decided by the Board of Directors from time to time.



- b) He is also entitled to bonus equivalent to his one month salary in a financial year.
- c) Perquisites: He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to ₹ 1.00 lacs per annum.

FURTHER RESOLVED THAT the Board shall have the discretion and authority to modify the foregoing terms of remuneration within the parameters of the applicable provisions of the Companies Act, 1956."

9. TO CONSIDER AND APPROVE THE ALTERATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The members were informed that the Company had entered into an investment agreement with NSR Direct PE Mauritius, LLC for subscription of 26,000,000 equity shares of ₹35 each, and consequently the certain provisions of the existing articles of association of the Company had to be amended so to incorporate certain rights of the investors including provisions relating to corporate governance, and share transfer. The Board had proposed the alteration of Articles in terms of Section 31 of the Companies Act, 1956.

The key amendments in the restated version include certain modification to Article 2, a new Article 82A, certain modification to Article 129, new Articles 129A, 143A, 202A and 210A.

Members were requested to approve and ratify the alteration in Articles of Association as embodied in the resolution.

Mr. Rajneesh Kaushal proposed and Mr. H. R. Chaudhary seconded the following special resolution, which was adopted unanimously after discussion:

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 and other applicable provisions, if any, the Articles of Associations of the company be and are hereby amended in the manner as set out below:

1) In the Article 2

- i) After the definition of "the act", the following definitions have been inserted:-

	<p>"Affiliate" means, in relation to any Person, any entity controlled, directly or indirectly, by that Person, any entity that controls, directly or indirectly, that Person, or any entity under common control with that Person or, in the case of a natural person, any Relative (as such term is defined in the Act) of such Person. For the purpose of this definition:</p> <p>(i) control means the power to direct the management and</p>
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	<p>policies of an entity whether through the ownership of voting capital, through the right to appoint a majority of directors to the board of an entity, by contract or otherwise (and the terms "controlled" and "controlling" shall be construed accordingly unless repugnant to the context); and</p> <p>(iii) A holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity</p>
"Agreement"	"Agreement" means the investment agreement dated 19 February 2010 entered into between the Company and the Investor.
"Annual Budget"	"Annual Budget" has the meaning as given to it in Article 210A (i).

II) After the definition of "the Board", the following definition has been inserted:-

"Business"	"Business" means and includes manufacturing of bulk drugs Active Pharmaceutical Ingredients, generic pharmaceutical drug formulations, and/or finished dosage forms, empty hard gelatin Capsules, and/or Phytochemicals (menthol).
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III) After the definition of "The Company", the following definitions have been inserted:-

"Competitor"	"Competitor" has the meaning as given to it in Article 44A.
"Completion"	"Completion" means the date on which all the Completion activities takes place.
"Completion Date"	"Completion Date" means the date of allotment of Subscription Shares i.e. 20 February 2010.
"Connected Person"	"Connected Person" of the Company means (i) any company under the same management (as defined by the erstwhile Section 370 (1-B) of the Act) as the Company; (ii) any director or key management personnel of the Company or of any of its Subsidiary or any relative (as defined under the Act) of any such director or key management personnel; (iii) the Promoters or any Affiliate of any of the Promoters; (iv) any listed company in which the Company, the Promoters, or any Affiliate or partner of Promoters or Affiliate is a director or hold/s shares exceeding percentage ten (10 %) of the paid-up equity share capital of such listed company; (v) any company, the board of directors, managing director or manager whereof acts or is accustomed to act in accordance with the directions or instructions of the Board of Directors of the Company, of the Promoters, or of any Affiliate mentioned above; and (vi) all such Persons who have the ability to Control the Company, its



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	Subsidiaries or any directors of the Company or its subsidiaries or exercise significant influence (which means participation in and not necessarily control over) over the Company or its Subsidiaries in making financial or operating decisions; <i>Provided however that in no event shall the Investor, the Investor Director or any of its Affiliates or their respective directors be considered or deemed to be a Connected Person/Concern of the Company.</i>
"Deed of Adherence"	"Deed of Adherence" means the deed of adherence a format of which is set out in Schedule 9 of the Agreement
"Dilution Instrument"	"Dilution Instrument" means any Equity Shares, or any rights, options, warrants, appreciation rights or instruments entitling the holder to receive any Equity Shares of the Company or any options to purchase or rights to subscribe for Securities by their terms convertible into, or exchangeable for, Equity Shares.

IV) After the definition of "The Dividend", the following definitions have been inserted:-

"Encumbrance"	"Encumbrance" means any encumbrance or restriction on transferability including, without limitation, any claim, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), public right, common right, any provisional or executional attachment and any other interest held by a third party and the term "Encumber" shall be construed accordingly.
"Equity Shares"	"Equity Shares" means the equity shares of the Company having a par/ nominal value of Re. 1 each.
"Existing FCCBs"	"Existing FCCBs" means the US\$ 33,000,000 (United States Dollars Thirty Three Million only) foreign currency convertible bonds issued under the offering circular dated April 20, 2006 and held by Bank of New York, as custodian.
"Fully Diluted Basis"	"Fully Diluted Basis" means the basis for computation of share capital whereby all classes and series of Equity Shares outstanding and all fully paid compulsorily convertible securities/ instruments exchangeable or exercisable into Equity Shares, are assumed to have been so converted, exercised or exchanged.
"Government Approvals"	"Government Approvals" means any consent, approval, authorization, waiver, permit, grant, franchise, concession,



	agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, with or to any Government.
"Investor"	"Investor" means NSR Direct PE Mauritius, LLC.
"Investor Consent"	"Investor Consent" means the prior written consent of the Investor or consent of the Investor Director at the meeting of the Board or the consent of the Investor at the meeting of the shareholders on any of the Reserved Matters.
"Investor Director"	"Investor Director" has the meaning given to it in Article 129(1).
"Investor Shares"	"Investor Shares" means the Subscription Shares and any other Equity Shares or Securities convertible into, or exchangeable for, Equity Shares as may be subscribed to from time to time by the Investor or any of its Affiliates.
"Key Promoter"	"Key Promoter" means Mr. Sanjiv Goyal.
"Law"	"Law" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government Authority and, if applicable, international (whether bilateral or multi-lateral) treaties, conventions and regulations having the force of law.
"Minimum Stake"	"Minimum Stake" means the shareholding of the Investor and its Affiliates, not less than percentage five (5%) of the paid-up equity share capital of the Company (calculated on a Fully Diluted Basis).

V) After the definition of "month", the following definition has been inserted:-

"New GDRs"	"New GDRs" means the new global depository receipts of upto United State Dollar equivalent of Rs. 2,500,000,000 proposed to be issued by the Company"
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VI) After the definition of "person", the following definitions have been inserted:-

"Promoters"	"Promoters" means Sanjiv Goyal, Raman Goyal, Aryan Goyal, Saurabh Goyal and Sanjiv (HUF).
"Reserved Matter"	"Reserved Matter" shall mean the matters stated in Article 82A.

VII) After the definition of "seal", the following definition has been inserted:-

"Securities"	"Securities" means and has the meaning given to such term in the Securities Contracts (Regulation) Act, 1956.
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"Subscription Shares"	"Subscription Shares" shall mean the 26,000,000 Equity Shares of the Company subscribed to by the Investor under the Agreement.
"Subsidiary"	"Subsidiary" means and has the meaning given to such term in the Act and shall include any subsidiaries incorporated/ set up after the date of the Agreement. For the avoidance of any doubt, Subsidiary shall include any subsidiary incorporated outside India and shall include subsidiaries of such subsidiaries.
"Transfer"	"Transfer" means any transfer by way of sale, any disposal, any assignment and wherever the context may so permit, transfer by way of Encumbrance or lease.
"Undertaking" means	"Undertaking" means the Undertaking dated 19 February 2010 from the Promoters to the Investor.

2. In Article 7

After the words 'subject to compliance with of the provisions of' and before the words 'the act' the words and figures "Section 70" has been amended as "Section 79".

3. In Article 8

After the words as Company in general meeting as aforesaid the provision of the Article 68 the word and figures "and 68A" has been inserted.

4. In Article 19

In clause (d) the word "every director" has been amended as "every Executive director"

5. The article 24 has been replaced with the following new article 24:

Director may extend the time	24	he Directors may from time to time, at their discretion extend the time for the payment of any call, and may extend such time as to payment of call from any of the members who reside at a distance or other cause, the Directors may be deemed entitled to grant such extension but no member shall be entitled to such extension save as a matter of grace and favour.
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6. After the Article 44, the following new clause has been inserted:-

Transfer of Shares by	44A (1)	The Investor shall not sell the Investor Shares, together with their rights, to any Competitor. For this
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the Investor		<p>purpose, "Competitor" shall mean any company, Indian or overseas, which itself or along with one of its Affiliates derives (including, by way of consolidation of accounts), not less than percentage twenty (20%) of its revenues from generic pharmaceutical drug formulations and/or active pharmaceutical ingredient and/or phytochemicals (menthol) and as per the list set out in Schedule 10 of the Agreement.</p> <p>Provided that nothing in this clause shall restrict any Transfer of shares by the Investor on any Exchange or in the event of the Investor exercising the tag along right in accordance with the Undertaking.</p> <p>(2) It is hereby clarified that the Investor shall have the right to transfer all the Investor Shares held by it to any Competitor of the Company, subject to the Investor procuring the prior written approval of the Company and the Promoters in that regard.</p> <p>(3) Subject to compliance with the provisions of sub-clause (1) above, the Investor shall be entitled to Transfer up to all its Investor Shares to any Person whether together with or without the rights and/or obligations of the Investor hereunder and under the Undertaking on signing the Deed of Adherence, provided, however, that the Transfer of rights shall not result in the multiplication of such rights.</p> <p>(4) Subject to provisions of sub-clause (3) above, the Investor shall be entitled in its absolute discretion to transfer any or all of the Investor Shares in the Company to or for the benefit of its Affiliates so long as such Affiliate is not a Competitor and subject to the Affiliate signing the Deed of Adherence.</p> <p>(5) Subject to the provisions of (1) and (3) above, the Investor shall have the right, at its discretion, to sell and assign similar rights, including the right to a Board representation, to another investor or investors provided the incoming investor(s) shall hold a minimum shareholding of percentage ten (10%) of the entire issued share capital of the Company.</p>
Promoter Lock-In	448	<p>(1) Except with the prior Investor Consent, Promoters shall not Transfer, during the duration of the Agreement or for two (2) years from the Completion Date, whichever is earlier, any shares, warrants or other Securities convertible into Equity Shares held by them in the Company in any manner whatsoever.</p> <p>(2) Further, during the duration of the Agreement or for two (2) years from the Completion Date, whichever</p>



		<p>is earlier, the Promoters shall not Encumber any shares of the Company held by them in the Company, except</p> <p>(i) for the purposes of raising funds in connection with the Business of the Company; or</p> <p>(ii) up to percentage twenty (20%) of the Promoters' then aggregate shareholding in the Company can be Encumbered for any other purposes, provided that they hold at least percentage thirty (30%) of the share capital of the Company which shall either be un-Encumbered or Encumbered in accordance with (i) above; or</p> <p>(iii) with the prior investor Consent.</p> <p>The restrictions contained in this Article 44B shall be referred to hereinafter as the "Promoter Lock in".</p>
Promoter's share transfer subject to investor's right to tag-along	44C	<p>(1) Nothing herein shall however restrict the Transfer inter se between the Promoters,</p> <p>provided that save and except change in shareholding upon conversion of New GDRs and Existing FCCBs, if any, the shareholding of the Key Promoter shall not reduce, for any reason whatsoever, below the proportion of the share capital of the Company held by him in the Company on the date of execution of the Agreement and the Undertaking, provided that the Key Promoter shall be entitled to Transfer his shares in the Company to his immediate family on the condition that (i) the transferee and the Key Promoter both jointly and severally assume all obligations of the "Key Promoter" referred to in the Undertaking and in the Agreement and (ii) the Key Promoter shall, irrespective of his shareholding in the Company be liable for the actions of the transferee;</p> <p>provided further that the promoter-transferee (including a Key Promoter transferee) (if not a signatory to the Agreement) shall execute a Deed of Adherence agreeing to be bound by the terms of the Agreement.</p> <p>(2) Notwithstanding Articles 44B and 44C(1), if any Promoter ("Transferor") proposes to Transfer any Equity Shares, the investor shall be entitled to participate on pro-rata basis in the proposed Transfer, provided however that the investor shall be entitled to Transfer all the Investor Shares on a priority basis, in the event there is a change of control of the Company as a consequence of, or in</p>



connection with, any Transfer of Equity Shares by the Promoters or the Promoters' holding reduces below percentage twenty six (26%) of the then share capital of the Company calculated on a Fully Diluted Basis, in the following manner:

- (i) The Transferor shall first give a written notice ("Offer Notice") to the Investor ("Offeree"). The Offer Notice shall state (i) the number of Equity Shares proposed to be Transferred by the Transferor (the "Sale Shares") and the number and class of Equity Shares the Transferor owns at that time on Fully Diluted Basis, (ii) the name and address of the proposed transferee (if any), (iii) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such proposed transferee, (iv) the estimated date of consummation of the proposed Transfer, (v) a representation that the proposed transferee (if there be any such proposed transferee) has been informed of the "tag-along" rights provided for in these Articles and that the proposed transferee has agreed to purchase all the Equity Shares required to be purchased in accordance with the terms of this clause, and (vi) a representation that no consideration, tangible or intangible (whether as non-compete consideration or otherwise) is being provided to the Transferor that will not be reflected in the price paid to the Investor on exercise of his tag-along rights hereunder. In the event that the proposed consideration for the Transfer includes consideration other than cash, including, non-compete consideration, the Transfer Notice shall include a calculation of the fair market value of such consideration and an explanation of the basis for such calculation. The total value of the consideration for the proposed Transfer is referred to herein as the "Offer Price".
- (ii) The Investor shall be entitled to respond to the Offer Notice by serving a written notice (the "Response Notice") on the Transferor prior to the expiry of thirty (30) Business Days from the date of receipt of the Offer Notice ("Offer Period") requiring the Transferor to ensure that the proposed transferee of the Sale Shares also purchases such number of the Equity Shares of the Investor, as mentioned in the Response Notice ("Offered Securities") at the same price and on the same terms as are mentioned in the Offer Notice, except that the Investor shall not



	<p>be required to provide any representations or warranties to the proposed transferee other than with respect to their title to the Offered Securities and the Investor shall be entitled to receive the full consideration for such shares as received by the Promoters, including non-compete considerations (without having to provide any non-compete restriction) and the cash equivalent of any non-cash component of the Offer Price.</p> <p>(iii) If:</p> <p>(a) The Promoters continue to remain in control and management of the Company after such Transfer, and the proposed transferee is unwilling or unable to acquire all of the Offered Securities mentioned in the Response Notice upon such terms, then the Promoters may elect either to cancel such proposed Transfer or to allocate the maximum number of Equity Shares of the Company which the proposed transferee is willing to purchase among the Sale Shares and the Offered Securities specified by the Investor Group in the Response Notice, pro-rata in the ratio of the equity shareholding in the Company at such time of the Promoters and the Investor Group, and to consummate such Transfer on such terms. The Promoters shall not be entitled to Transfer any of the Sale Shares to any proposed transferee unless the proposed transferee simultaneously purchases and pays for the required number of Offered Securities in accordance with the provisions of this Article; or</p> <p>(b) The Promoters cease to remain in control and management of the Company after such Transfer, the Promoters shall not be entitled to sell or Transfer any of the Sale Shares to any proposed transferee, unless the proposed transferee simultaneously purchases and pays for the Offered Securities for the same consideration and upon the same terms and conditions as applicable to the Sale Shares.</p> <p>(iv) The Transferor shall ensure that, along with the Sale Shares, the proposed transferee also acquires the Offered Securities specified in each Response Notice for the Offer Price and upon the same terms and conditions as applicable to the Sale Shares, provided that, the Investor may choose to receive the cash equivalent of any such consideration which is in a form other than cash and the Investor shall not be required to</p>
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		<p>provide any representations and warranties in respect of the Offered Securities other than with respect to their title to the Offered Securities. Where the Investor has properly elected to exercise its tag-along right and the proposed transferee fails to purchase from the Investor the Offered Securities which it is entitled to sell under this tag along provision, the Transferor shall not make the proposed Transfer of the Sale Shares, and if purported to be made, such Transfer shall be void and the Promoters shall procure and ensure that the Company does not register any such Transfer.</p> <p>(v) In the event Investor does not deliver a Response Notice to the Promoters prior to the expiry of the Offer Period, then, upon the expiry of the Offer Period, the Transferor shall be entitled to sell and transfer the Sale Shares to the proposed transferee mentioned in the Offer Notice on the same terms and conditions and for the same consideration as is specified in the Offer Notice. Any transferee purchasing the Sale Shares shall deliver to the Transferor on or before the date of consummation of the proposed Transfer specified in the Offer Notice payment in full of the Offer Price in respect of the Sale Shares in accordance with the terms set forth in the Offer Notice. If completion of the sale and Transfer to the proposed transferee does not take place within the period of sixty (60) days of the expiry of the Offer Period, the Transferor's right to sell the Sale Shares to such a party shall lapse and the provisions of this sub-clause (2) shall once again apply to the Sale Shares.</p> <p>For the purposes of this Article, the term "control" shall mean:</p> <p>(p) the ability to appoint a majority of the Board;</p> <p>(q) being the single largest shareholder of the Company;</p> <p>(r) Equity Share holding being not less than percentage twenty six (26%) of the then issued and paid-up share capital of the Company;</p> <p>(s) the ability to control the composition or the decisions of the Board, or</p> <p>(t) the possession of power to direct or cause the direction of the management and policies of the Company by virtue of the articles of association or an agreement or contract or</p>
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otherwise

It is clarified that if any of the conditions above is not fulfilled, then the Promoters shall be deemed to have ceased to remain in control of the Company.

- (3) Where the Investor requires prior Government Approvals for disposal of the Offered Securities pursuant to 44C, then notwithstanding any other provision of these Articles, the Investor shall only be obliged to dispose of the Offered Securities once such Governmental Approval is obtained. Any period within which a transfer of the Offered Securities by the Investor has to be completed shall be extended by such further period as is necessary for the purpose of obtaining such Governmental Approval. Provided that if any of such Governmental Approval is finally withheld, then the Investor shall be deemed not to have offered to sell the Offered Securities.
- (4) The transfer restrictions on the Promoters in the Undertaking, the Agreement and/or in these Articles shall not be capable of being avoided by the holding of Equity Shares indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Equity Shares free of such restrictions. Any Transfer, issuance or other disposal of any shares (or other interest) resulting in any change in the control, directly or indirectly, of the Promoters, or of any Affiliate of any Promoter which holds, directly or indirectly, any Equity Shares, shall be treated as being a Transfer of the Equity Shares held by the Promoter, and the provisions of these Articles, the Undertaking and the Agreement that apply in respect of the Transfer of Equity Shares shall thereupon apply in respect of the Equity Shares so held.
- (5) Any Transfer or attempted Transfer of any Securities of the Company in violation of these Articles shall be void and the Company shall ensure that no such Transfer shall be recorded on the Company's books and the purported transferee in any such Transfer shall not be treated (and the purported transferor shall be treated) as the owner of such Securities for all purposes.
- (6) Subject to the terms of the Agreement, the Investor shall be entitled to deal with, dispose of, Transfer and/or Encumber all or any of their Equity Shares together with or without their rights and / or obligations hereunder, to any other Person. No obligation (including any restriction under Article 44A(3)) shall apply in respect of any sale of shares by the Investor pursuant to the tag along right at



		sub-clause (1) above.
Registration of Transfers	44D	Notwithstanding anything contained in these Articles, any Transfer or attempt to Transfer any Equity Shares in violation of the Undertaking or the Agreement shall be null and void ab initio, and to the extent it is within the reasonable control of the Company, Company shall not register such Transfer and shall reject any such Transfers made or attempted, suo moto without necessity of a Board decision to institute proceedings for this purpose if required by Law.

7. In Article 50
After the word 'delivered to the company' and before the word 'prescribed period' the word "within" has been inserted

8. In Article 62

After the word 'responsibilities whatsoever' and before the word 'consequence' the word "is" be replaced with the word "in"

9. After Article 68 the new clause 68A has been inserted as follows:-

Pre-Emptive Rights & Future Subscriptions by Investor	68A	<p>(1) Except with the Investor Consent and other applicable laws, Company shall not issue Equity Shares or equity-linked securities of any kind (including, but not limited to, convertible notes, preference shares, warrants, options), save and except issue of Equity Shares on exercise of New GDRs and the conversion of the Existing FCCBs, for a period of one (1) year from the Completion Date at a price lower than Rs.35 per Equity Share/ equity-linked security. Without prejudice to the foregoing, in the event that the Company issues any Dilution Instrument at any time after complying with its obligation of securing the Investor's consent, then, the Investor shall be entitled to subscribe to such number of Dilution Instruments in proportion to its equity shareholding in the Company and shall also be entitled to subscribe to its pro rata number (calculated on the same basis after giving effect to the Investor's subscription pursuant to this sub-clause (1), but not including the numbers of Equity Shares held by other shareholders not subscribing in such issuance) of any equity securities not subscribed for by the other shareholders.</p> <p>(2) The Investor shall be entitled to acquire the Dilution Instruments on the terms on which the Company proposes to issue the Dilution Instruments to any other person. Notwithstanding anything contrary contained in these Articles, the Company shall not</p>
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		<p>issue any Dilution Instrument in contravention of the provisions of sub-clause (1) above.</p> <p>(3) In the event that the Investor subscribes to any Equity Shares or any Securities convertible into Equity Shares, then all such newly subscribed Equity Shares or convertible instruments will also be considered "Investor Shares" and shall be entitled to all the rights as enjoyed by Investor under the Agreement, the Undertaking and these Articles. Further, in the event the Investor at any time wishes to convert or exercise any of the convertible Securities held by it, into Equity Shares, the Company shall, and shall procure that the Promoters shall, promptly and diligently take all necessary steps to facilitate such conversion by the Investor and ensure that such conversion by the Investor is in compliance with all applicable Laws, including without limitation, the FDI Policy of India and the regulations issued by the RBI under the Foreign Exchange Management Act, 1999.</p>
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9A. After Article 70 the new clause 70A has been inserted as follows:-

Buy Back of shares	70A	Pursuant to section 77A and other applicable provisions of the Act and rules or regulation or guidelines as may be prescribed by Securities and Exchange Board of India, the company shall have power to purchase from time to time its own shares or other specified securities and to make payment in respect of such purchase(s)."
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10. In Article 72

the paragraph Numbering a, b and c has been amended with 1,2 and 3 respectively.

11. In Article 73

the new sub-clause (2) has been inserted as follows:-

Subscription Shares to be <i>pari passu</i> with other equity shares of the Company	(2)	The Subscription Shares shall rank <i>pari passu</i> with the other Equity Shares of the Company in all respects, including without limitation, with respect to entitlement to dividend and voting rights.
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12. After clause 73, the existing clause 73A has been re-numbered as 73B and the following new clause 73A has been inserted:

Investor not promoter	a	73A	The Company acknowledges that on Completion the Investor will only be a minority financial investor and not acquire control and management of the Company. The
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		Promoters shall continue to remain in control of the Company and continue to manage the Company and its business and affairs. The Company will ensure that: (i) the Investor shall not be considered/ classified/ named or deemed as a 'promoter' of the Company for any reason whatsoever (unless required by applicable Law) in the prospectus or any other documents related to a public offering or otherwise and (ii) the Investor Shares are not be subject to any restriction whatsoever (including that of lock-in or other restrictions) which are applicable to promoters under any applicable Law, unless such restriction is required by applicable Law to be placed specifically on the Investor. If applicable Law does not permit the abovementioned actions, the Parties shall exercise all their rights and take all actions to endeavour to achieve the objectives of this Article 73A in accordance with applicable Law.
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13. After clause Article 82, the new Clause 82A has been inserted as follows:

Reserved Matters at Board meeting and General meetings	82A	<p>The Company agrees that, so long as the Investor holds Minimum Stake, no action or decision relating to any of the Reserved Matters shall be taken (whether by the Board, any committee, the shareholders of the Company (or through any of the employees, officers or managers of the Company), except with the Investor Consent. The Reserved Matters are as follows:</p> <ol style="list-style-type: none"> 1. Acquisition of shares, assets, business, business organization or division of any other person, creation of legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs and consolidations, creation of any new Subsidiaries of a value exceeding percentage twenty (20%) of the net worth of the Company as reflected in the latest audited or limited review balance sheet balance sheet of the Company; 2. Providing guarantees or making any loans other than in the ordinary course of Business exceeding percentage five (5%) of the net worth of the Company as reflected in the latest audited or limited review balance sheet of the Company; 3. Any changes in class rights for shares (directly or indirectly); 4. Commencement of any new line of business which is unrelated to the business of the Company, any changes in the scope of business, suspension or cessation of business or transfer of all or a portion of business; 5. Making of any investment (other than short-term deposits with banking institutions) of amounts
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	<p>exceeding Rs.100,000,000 (Rupees one hundred million only);</p> <p>5. Any change in the issued, subscribed or paid up equity or preference share capital of the Company or Reorganisation of the share capital of the Company, including new issuance of shares or stock options or other securities of the Company or redemption, retirement or repurchase of any shares or other securities, Issuance of convertible debentures or warrants, or grant of any options over its shares by the Company;</p> <p>7. Other than the winding up of the Subsidiary in Sri Lanka, sale, transfer, winding up, divestiture, dissolution, liquidation or other disposition of, the Company or any of its Subsidiaries, whether or not voluntary, or any restructuring or reorganization which has a similar effect;</p> <p>8. Sale, transfer, assignment, agreement, arrangement, transaction or assignment of any assets, or otherwise dispose of, any assets or securities of the Company or any of its Subsidiaries not provided for in the budget and which exceeds percentage ten (10%) of the net block of the Company as reflected in the latest audited balance sheet of the Company;</p> <p>9. Listing/de-listing of the Company shares on any stock-exchanges or change in legal status e.g. public to private company status etc.</p> <p>10. Incurrence, issuance or assumptions of any form of indebtedness or the creation of any Encumbrance in respect hereof, so that the post issuance of Subscription Shares and New GDR, the debt: equity ratio exceeds 1.25:1 (For the purpose of this Clause 'equity' shall be taken as reflected in the latest audited balance sheet of the Company and 'debt' shall mean long term debts);</p> <p>11. Capital expenditure, including constructions and leases, more than percentage twenty (20%) of the net worth of the Company as reflected in the latest audited balance sheet of the Company;</p> <p>12. Any amendments, supplement, modification or restatement of the memorandum or articles of association of the Company or any of its Subsidiaries as in effect on the date hereof;</p> <p>13. Delegation of authority or any of the powers of the board of the Company and/or its Affiliates relating to any Reserved Matter to any individual or committee;</p> <p>14. Any commitment or agreement to do any of the foregoing;</p> <p>15. Affiliated or related party transactions, agreement</p>
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		<p>or arrangements between the Company and any Connected Person/Concern in excess of Rs.20,000,000 (Rupees Twenty million only) per transaction the aggregate of all such related party transaction not to exceed Rs.50,000,000 (Rupees fifty million only) in any financial year.</p> <p>16. Any appointment and/or change of the internal auditor of the Company and the statutory auditor of the Company.</p> <p>17. Any approval of the Annual Budget or any amendment to the Annual Budget.</p> <p>18. Any sale, Encumbrance, disposal, pledge, charge or transfer, whether direct or indirect, of any of the securities held and/or owned by the Company.</p>
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14. the existing Article 128 has been replaced with following new article

Number of Directors	128	Unless otherwise determined by a Special Resolution and consented to by the Investor in writing, the number of Directors shall not less than three and more than twelve including the Debenture Director referred to in Article 130
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15. the existing Article 129 has been replaced with following new article

First Director	129	<p>The first Directors of the Company shall be :-</p> <ol style="list-style-type: none"> 1. Sh. Sanjeev Goyal 2. Sh. Rajeev Goyal 3. Smt. Raman Goyal 4. Smt. Alka Goyal
Investor Directors		<p>(1) The Investor shall be entitled to nominate such number of directors on the Board proportionate to its shareholding, provided that the number of Investor Directors shall at all times be less than the number of Directors nominated by the Promoters subject to the Investor being entitled to nominate at least one director, to attend any and all meetings of the Board and in the absence of any of the nominee alternate directors, the Investor shall be entitled to nominate alternate directors who shall have the right to attend any and all such meetings of the Board ("Investor Director(s)"). All Investor Director(s) shall be non-executive directors. The Company shall also appoint sufficient number of independent Directors in order to comply with the provisions of the listing agreement of the Exchange.</p> <p>(2) The appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal under this Article shall unless the contrary intention appears, take effect</p>



	from the date it is notified to the Company in writing.
(3)	If the Law does not permit the person nominated by an investor to be appointed as a Director of the Company merely by nomination by the investor, the Company shall ensure that the Board forthwith (and in any event within seven (7) Business Days of such nomination or at the next Board meeting, whichever is earlier) appoints such person as a Director of the Company and further that, unless the concerned investor changes or withdraws such nomination, such person is also elected as a Director of the Company at the next general meeting of the shareholders of the Company.
(4)	Notwithstanding that the investor Director may be an independent director (as such expression is defined in any listing agreement entered into at any time between the Company and the Exchange) the investor Director shall not be construed or counted by the Company as an independent director for the purpose of determining the number of independent directors which the Company is required to have on its Board by the listing agreement.
(5)	Without prejudice to the above, the Company agrees to exercise all powers and rights available to it so as to fix the number of directors in accordance with this Article and to ensure that the persons nominated by the investor are expeditiously appointed or removed (as the investor may specify) as a Director of the Company and that the appointments and removals referred to in this Article result in the persons nominated / appointed or removed becoming or ceasing, as the case may be, to be Directors of the Company.
(6)	None of the investor Directors, nominated/appointed on the Board from time to time, shall be appointed on the board of any other company that may be in similar business as that of the Company and/or its Subsidiaries and/or their respective businesses.

16. After clause Article 129, the new Clause 129A has been inserted as follows:-

129A	(1) At least one Independent Director (who shall be mutually agreeable to the Promoters and the investor) shall be primarily focused on strategy and business development for the regulated markets. Such Independent director shall focus on ANDA strategy, commercial partnerships, and new product development strategy. As long as the investor holds
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		the Minimum Stake, such appointment of the Independent director shall be in consultation with the Investor. The Investor believes that its consultation for such a nominee in such a role can significantly help the Company execute its growth plans, and as such, create value for all the shareholders of the Company.
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17. In Article 135 after sub clause (1) the following sub-clause (2) has been inserted:-

(2) The Company shall pay the Investor Director or his alternate such fees as per the prevailing policy of the Company.

The existing sub clause (2) and (3) has been re-numbered as (3) and (4) respectively.

18. After clause Article 143 the New clause 143A has been inserted as follows:-

Investor's right to appoint director on the board of subsidiaries of the Company.	143A	Notwithstanding anything contained in Article 143, the Investor shall be entitled to nominate and maintain in office one director on the board of directors of each of the Subsidiaries (and to remove from office any such director(s) so nominated and to nominate another in the place of the director(s) so removed) and the Company shall ensure that such nominated director(s) is appointed as a director(s) on the board of directors of such Subsidiaries. It is hereby clarified that the provisions of these Articles in relation to the Investor Directors including appointment, procedures for meetings, reserved matters, information and inspection rights, etc. shall, <i>mutatis mutandis</i> apply to each director nominated by the Investor on the board of directors of each of the Subsidiaries.
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19. In Article 146 after sub clause (3), the sub Clause (4) has been inserted as follows:-

Investor Director not to retire by rotation	(4) The Investor Director shall not be liable to retire by rotation.
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20. The existing Article 156 has been replaced with following new article:-

When meeting to be convened and notice	156	A Director or the Managing Director may at any time and the Managing Director upon the request of a Director shall cause a meeting of the Director to be convened and a notice of such meeting of the Directors of the Company shall be given in writing to every Director (including alternate Director) for the time being in India and at his
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thereof		usual address in India at least 7 days in advance of such meeting, and if any Reserved Matters are to be considered at such meeting of the Board, at least 14 days in advance of such meeting, unless in any particular case a majority of the Directors (which majority shall include the Investor Director) agree otherwise in relation to the notice period.
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21. After Article 156 the following article 156A has been inserted:-

Agenda for Board meeting	156A	The agenda for each Board meeting and all papers connected therewith and/or proposed to be placed or tabled before the Board shall be circulated together with the notice at least fourteen (14) days or seven (7) days, as the case may be, prior to the Board meeting and, no resolutions or decisions save and except those specified in the agenda may be passed or approved at any Board meeting, except with the written consent of the Investor Director.
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22. The existing Article 157 has been replaced with following new article:-

Quorum	157	Subject to the provisions of Section 287 and other applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the board of directors (excluding Directors if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or three Directors, whichever is higher; provided that where at any time the number of Interested Directors exceed or is equal to two thirds of the total strength the number of remaining Directors, that is to say, the number of Directors who are not so interested and are present at the meeting not being less than three shall be the quorum during such meeting. A meeting of the Directors at which a quorum is present, shall be competent to exercise all or any of the authorities, power and directors by or under the act, or the articles of the Company, for the time being exercisable by the Board of Directors generally.
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23. The existing Article 162 has been numbered as sub clause (1) and after that sub Clause (2) & (3) has been inserted as follows:-

	(2)	The Company shall have an effective committee for strategic initiatives and the composition of such committee will be determined in conjunction with the Investor.
	(3)	The Investor Director shall be entitled to be a member of, or at the option of the Investor, an invitee on, all the



		committees of the Board including any sub-committees. The Investor shall be entitled to from time to time nominate a person, to be appointed as the alternate director to its Investor Director; and the Company shall exercise all its rights and powers and take all requisite actions to ensure that such person is appointed forthwith as the Investor Director's alternate director. In the absence of the Investor Director, his alternate shall be entitled to attend and act in place of the Investor Director on such committees.
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24. After Article 194 the following article 194A has been inserted:-

INFORMATION TO BE PUBLISHED		
Information to be Published	194	<p>(1) The Company shall publish any unpublished price sensitive information before providing it to the Investor. The Company has the right to suspend the information rights under Articles 194A(1), 194A(2), 198A, 202A, 202B, 202C and 204A, for the duration of the time the Board withholds publication of price sensitive information in the best interests of the Company.</p> <p>(2) Subject to the applicable securities Laws, the Investor shall be entitled to share information received from the Company (which is not unpublished price sensitive information) with its Affiliates, provided however that the Investor shall not be entitled to share any such information received by it from the Company, with any of its Affiliates that (i) is a Competitor of the Company or (ii) has invested in any company which is engaged in a business similar to the Business.</p>

25. In Article 198, before the word Board of Directors the word "Without prejudice to the provisions of Article 202A, the" has been inserted

26. After Article 198 the following article 198A has been inserted:-

Investor's right to inspection	198A	Subject to Articles 194A(1) and 202C the Company shall give full access to the Investor and their authorized representatives (including lawyers, accountants, auditors and other professional advisors) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company and its Subsidiaries, and to discuss and consult its business, actions plans, budgets and finances with the directors and executive officers of the Company and its Subsidiaries. The Investor and their authorized representatives shall give at least seven (7) days prior notice of the same to the Company. All costs of such
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	Inspections shall be borne by the Company if, as a result of such inspection, any breach of Law or the Agreement is discovered.
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27. After Article 202 the following articles 202A, 202B and 202C have been inserted:-

Investor's information rights	202A	Without prejudice to the Articles 194A(1), 194A(2), 198A, 202C and 204A and subject to any restriction contained in applicable Law, for so long as the Investor holds the Minimum Stake, the Investor shall have the right to receive from the Company (unless waived by Investor) and the Company shall provide the Investor the following information with respect to the Company: (1) Unaudited quarterly financial statement, within thirty (30) days of period end of the relevant quarter period (or such shorter period as specified in the listing agreement applicable to the Company) within one (1) day of publishing to the Exchanges; (2) Audited financial statements, including cash flow statements, within ninety (90) days of end of each Financial Year end (or such shorter period as specified in the listing agreement applicable to the Company); (3) Subject to Article 202C, such additional information as reasonably requested by the Investor.
	202B	The Company shall provide to the Board, the un-audited half-yearly financial statements including cash flow statements within ninety (90) days of the relevant half yearly period (or such shorter period as specified in the listing agreement applicable to the Company).
	202C	The Investor Director shall receive such information as requested by the Investor and/ or as per applicable Law.

28. After Article 204 the following articles 204A, and 204B have been inserted:-

Corporate communication systems	204A	As part of its initiatives to enhance and maintain high standards of reporting and corporate communication systems, the Company shall organise, at regular intervals, presentations to the Board, shareholders and analysts as may be directed by the Board.
CONTRACTS WITH CONNECTED PERSONS/ CONCERN		
Contracts with Connected Persons/ Concerns	204B	All agreements and transactions between the Company and any Connected Person/Concern shall be entered into on an arm's length /market price



	basis.
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29. The existing Article 205 has been numbered as sub clause (1) and after that sub Clause (2) has been inserted as follows:-

	(2) The Company shall continue to adopt and consistently apply the Indian GAAP.
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30. After Article 210 the following articles 210A has been inserted:-

ANNUAL BUDGET		
Annual Budget	210A.	<p>(1) The Company shall, on a yearly basis, prepare an annual budget (the "Annual Budget") for each Financial Year at least one month prior to the commencement of such Financial Year or such time as agreed between Investor and Company. This Annual Budget shall set out the details of projected profit and loss statements, and balance sheets (including but not limited to projected capital expenditure details and projected working capital details) of the Company and its Subsidiaries on a quarterly basis. The Annual Budget will contain details relating to operation and capital expenditure separately. Such Annual Budget shall be approved by the Board at least fifteen (15) days prior to the commencement of such Financial Year or such time as agreed between Investor and Company. The Company hereby agrees that neither it nor its Subsidiaries shall incur any capital expenditure, issue any share capital or any debt liability in the Company and its Subsidiaries, except as per such Annual Budget so approved by the Board.</p> <p>(2) The Company shall additionally prepare, on a rolling quarterly basis, a capital budget and a revenue budget pertaining to its operations in India and its overseas operations, both of which shall be subject to the approval of the Board. The capital budget shall be reviewed by the Board at the meeting constituted to review the results of the previous quarter, and other than as sanctioned therein, no capital expenditure shall be incurred by the Company or any of its Subsidiaries.</p> <p>(3) The Company and its Subsidiaries shall not make any capital commitment unless the entire funding for the same has been arranged and is available either in (i) in immediate funds or (ii) pursuant to in principle approvals from lenders (and the conditions contained therein can be met by the Company, in the opinion of</p>



		the Board) at the time of the approval of the quarterly capital budget as sub-clause (1) above.
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31. In Article 223, the sub clause (a) has been renumbered as sub clause (1). After the sub clause (1) New sub-clause 223(2) has been inserted as follows:-

	2)	Without prejudice to the above, the Company shall have its executive directors and its senior management enter into agreements which contain confidentiality provisions.
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And the sub clause (b) has been renumbered as sub clause (3).

32. The existing Article 224 has been replaced with following new article:-

Director's and other's right of indemnity	224.	(1)	Subject to the provisions of Section 201 of the Act, every Director of the Company or Managing Director, Manager, Secretary and other office or employee of the company and trustees (if any) for the time being acting in relation to any of the affairs of the company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including traveling expenses) which any such Directors, managing Director, officer or employee and the trustees (if any) for the time being acting in co-relation to the Company may incur or become liable by reason of any contract entered into or any act or deed done by him as such director, officer or servant or in any way in the discharge of his duties.
		(2)	Subject to as aforesaid every Director, Managing Director, Manager, Secretary or other officer or employee of the company or the trustee (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the act in which relief is given to him by court.
		(3)	The Company shall indemnify the Investor Director to the fullest extent permissible under Law, including against:
		(a)	any act, omission or conduct of or by the Company, any of the Promoters, or their employees or agents as a result of which, in whole or in part, any Investor Director is made a



		<p>party to, or otherwise incurs any Loss (including all losses, claims, liabilities, costs, and damages (whether general, special, absolute, accrued, conditional or otherwise and whether or not resulting from third party claims), including interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys' and accountants' fees and disbursements but excluding any remote, punitive, exemplary damages or loss of profit) pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or</p> <p>(b) any action or failure to act undertaken by an Investor Director at the request of or with the consent of the Company or any of the Promoters; or</p> <p>(c) contravention of any Law including, without limiting the generality of the foregoing, the Foreign Exchange (Management) Act 1999, Laws relating to provident fund, gratuity, labour, Environmental Laws, and any action or proceedings taken against an Investor Director in connection with any such contravention or alleged contravention;</p> <p>in each case, except for those arising on account of fraud, gross negligence or wilful misconduct of the Investor Director which fraud, gross negligence or wilful misconduct is established by a final and non-appealable order of a court of competent jurisdiction.</p> <p>(4) The Company shall obtain director's and officer's liability insurance for all the Directors (and alternate directors) for an amount and on terms determined by the Board.</p>
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FURTHER RESOLVED THAT Mr. Dinesh Dua, Chief Executive Officer & Director or Mr. Sunder Lal, Company Secretary be and are hereby severally authorized to do all such deeds, acts, things and sign all such documents to give effect to the above resolution."

10. TO APPOINT MR. SAURABH GOYAL AS A DIRECTOR OF THE COMPANY

The members were informed that on August 11, 2010 Mr. Saurabh Goyal had been appointed as Additional Director and vacated his office at this Annual General Meeting. However, the company had received a notice under section 257 of the Companies Act, 1956 along with a deposit of rupees five hundred, from a member signifying his intention to propose the candidature of Mr. Saurabh Goyal as a regular director of the company.



Mr. Sunder Lal, Company Secretary informed the members that the brief profile of the Mr. Saurabh Goyal and his shareholding in the company was given in the explanatory statement attached to the notice of the company.

Mr. H. R. Chaudhary proposed and Mr. Inderjit Singh seconded the following ordinary resolution, which was adopted unanimously after discussion:

"RESOLVED THAT Mr. Saurabh Goyal who was appointed as an additional director of the company by the Board of directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing under section 257 proposing his candidature for the office of director, be and is hereby appointed as a director of the company, who will be liable to retire by rotation."

11. TO APPOINT MR. SAURABH GOYAL AS AN EXECUTIVE DIRECTOR

Members were informed that the company was expanding its API facilities and keeping in view the requirement to manage day to day affairs of the company and to provide assistance to the Chairman & Managing Director, the Board of Directors of the Company in their meeting held on August 11, 2010 had appointed Mr. Saurabh Goyal as an Executive Director, subject to the approval of Members in their General Meeting. Members were requested to consider and approve his appointment on the terms and conditions embodied in the resolution for a period of 5 (five) years subject to the limits laid down in Section 198 & 309 of the Companies Act, 1956, read with Schedule XIII.

Mr. Rajneesh Kaushal proposed and Mr. Joga Singh seconded the following Special resolution, which was adopted unanimously after discussion:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as, "the Act") and pursuant to the provisions of Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded to appoint Mr. Saurabh Goyal as an Executive Director of the Company for a period of five years w.e.f. August 11, 2010 on the following remuneration:

- a) Salary: Rs.2,00,000/- (Rupees Two Lacs only) per month plus an annual increment of Rs. 25,000/- or such other increment as may be decided by the Board of Directors from time to time.
- b) Perquisites: He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to Rs.2.00 lacs per annum.

FURTHER RESOLVED THAT in addition to the perquisites referred to above, he will be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration:



- a) Leave Encashment at the end of the tenure.
- b) Contributions 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.
- c) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- d) Any other perquisites, which is specifically provided in the Companies Act, to be excluded for the purpose of computation of the ceiling on remuneration.

FURTHER RESOLVED THAT the Board shall have the discretion and authority to modify the foregoing terms of remuneration within the parameters of the applicable provisions of the Companies Act, 1956."

12. TO APPOINT MR. AJAY SWAROOP AS A DIRECTOR OF THE COMPANY

The members were informed that on August 11, 2010 Mr. Ajay Swaroop had been appointed as Additional Director and vacated his office at this Annual General Meeting. However, the company had received a notice under section 257 of the Companies Act, 1956 along with a deposit of rupees five hundred, from a member signifying his intention to propose the candidature of Mr. Ajay Swaroop as a regular director of the company.

Mr. Sunder Lal, Company Secretary informed the members that the brief profile of the Mr. Ajay Swaroop and his shareholding in the company was given in the explanatory statement attached to the notice of the company.

Mr. H. R. Chaudhary proposed and Mr. Rakesh Kumar seconded the following ordinary resolution, which was adopted unanimously after discussion:

"RESOLVED THAT Mr. Ajay Swaroop who was appointed as an additional director of the company by the Board of directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing under section 257 proposing his candidature for the office of director, be and is hereby appointed as a director of the company, who will be liable to retire by rotation."

Thereafter, Mr. Sunder Lal informed the Members that there was not any other item and thanked the members present, for sparing their valuable time to attend the Meeting.

The meeting concluded with a vote of thanks to the Chair.

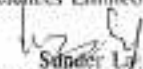
Date: 30.09.2010

Place: Registered Office & Works

Village: Saidpura, Tehsil
Derabassi, Distt. S.A.S. Nagar
(Mohali) Punjab

Sd/-
(SANJIV GOYAL)
CHAIRMAN & MANAGING DIRECTOR

Certified to be true copy
For Nectar Lifesciences Limited


Sunder Lal
Company Secretary