



Ipca Laboratories Limited

Regd. Office : 48, Kandivli Industrial Estate, Kandivli (W), Mumbai - 400 067.

NOTICE is hereby given that an EXTRAORDINARY GENERAL MEETING of Ipca Laboratories Limited will be held at Plot No. 47, Opp. Anand Mangal Hall, Kandivli Industrial Estate, Charkop, Kandivli (W), Mumbai - 400067 on Friday, 29th November, 2013 at 4.00 p.m. to transact the following business:

SPECIAL BUSINESS:

1. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof), the Company hereby accords its approval to the re-appointment of and payment of remuneration to Mr. Pranay Godha, son of Mr. Premchand Godha, Chairman & Managing Director and brother of Mr. Prashant Godha, Executive Director as the Executive Director of the Company for a further period of 5 (five) years with effect from 11th November, 2013 on the terms and conditions including remuneration as approved by the Remuneration and Compensation Committee of the Board and as set out in the agreement dated 24th October, 2013 entered into between the Company and Mr. Pranay Godha, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically approved."

2. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution for raising the investment limit of Foreign Institutional Investors (FIIs) in the equity share capital of the Company:

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and pursuant to the applicable provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000, as amended from time to time and subject to all other applicable rules, regulations, guidelines and laws (including any statutory modifications or re-enactments thereof, from time to time) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded for investment by Foreign Institutional Investors (FIIs) in the equity share capital of the Company, either by way of direct investment or otherwise by acquiring from the secondary market under the portfolio investment scheme or under any other scheme up to 35% of the then paid-up equity share capital of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the above matter without being required to seek any further consent or approval of the members or otherwise and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for any matter connected therewith or incidental thereto and delegating all or any of the powers conferred herein to any Committee, Directors or Officers of the Company."

NOTES:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Statement setting out material facts concerning items of special business pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
- (3) All documents referred to in the notice will be available for inspection by the members at the Registered Office of the Company during working hours on all working days upto the date of the Extraordinary General Meeting and shall also be placed before the members at the said Extraordinary General Meeting.

Registered Office:
48, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067.

By Order of the Board
For Ipca Laboratories Ltd.

Mumbai
24th October, 2013

Harish P. Kamath
Corporate Counsel &
Company Secretary

STATEMENT SETTING OUT MATERIAL FACTS CONCERNING ITEMS OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

At the meeting of the Board of Directors of the Company held on 24th October, 2013, Mr. Pranay Godha has been re-appointed as the Executive Director of the Company for a further period of 5 years with effect from 11th November, 2013.

Mr. Pranay Godha, aged 41 years has done his B.Sc. from University of Bombay and has also obtained a degree in MBA from the New York Institute of Technology, USA. He has over 15 years experience in the field of Marketing and General Management.

Mr. Pranay Godha was initially appointed as the Business Development Manager of the Company w.e.f 16th April, 2003 and was subsequently promoted as Vice President - Generics Business of the Company w.e.f. 1st November, 2004. He was further promoted as President – Generics Business of the Company in May 2006 and subsequently appointed as the Executive Director of the Company with effect from 11th November, 2008.

The present re-appointment is subject to compliance with sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, from time to time) and also subject to the approval of the shareholders.

Accordingly, the Company has entered into an Agreement on 24th October, 2013 with Mr. Pranay Godha setting out terms and conditions of his re-appointment as Executive Director and remuneration payable to him.

The material terms of the said agreement are as follows:

1. Period: 5 years with effect from 11th November, 2013.
2. The Executive Director shall exercise and perform such powers and duties as the Board shall from time to time, determine, and subject to any directions and restrictions, from time to time, given and imposed by the Board.
3. The Executive Director shall devote his whole-time attention and abilities to the business of the Company.
4. During the period of his employment, the Executive Director shall whenever required by the Company undertake such traveling in India and elsewhere as the Board may from time to time direct in connection with or in relation to the business of the Company.
5. Remuneration:
 - a) Salary of Rs.4,00,000/- (Rupees Four Lacs Only) per month with such annual increments as may be decided by the Board subject to a ceiling of Rs.8,00,000/- (Rupees Eight Lacs Only) per month.
 - b) Commission: Such remuneration by way of commission, in addition to the above salary and perquisite, calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated under Sections 198 and 309 and other applicable provisions of the Companies Act, 1956 or any re-enactment thereof. The specific amount payable to the Executive Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.
 - c) Perquisites: In addition to the salary and commission, the Executive Director shall be entitled to the following perquisites:
 - i) Housing: The expenditure incurred by the Company on hiring furnished accommodation for the Executive Director will be subject to a maximum of sixty per cent of the Salary. In case no accommodation is provided by the Company, the Executive Director shall be entitled to house rent allowance subject to the said ceiling laid down.
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Executive Director.
 - ii) Medical, hospitalization and health-care expenses: Actual expenses incurred for the Executive Director and his family including mediclaim policy premium to be paid by the Company.
 - iii) Leave travel concession: For the Executive Director and his family, once in a year incurred in accordance with any rules specified by the Company subject to a ceiling of one month salary.
 - iv) Club fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
 - v) Personal accident insurance: As per any rules specified by the Company.
 - vi) Provident fund: Company's contribution to provident fund shall be as per the scheme applicable to the employees of the Company.

- vii) Contribution to Superannuation Fund and National Pension Scheme: Company's contribution to superannuation fund and national pension scheme shall be in accordance with the rules of the scheme as may be applicable or as may be framed / decided by the Company.
 - viii) Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund and which shall not exceed half a month's salary for each completed year of service. Contribution to provident fund, superannuation fund and national pension scheme and gratuity will not be included in the computation of perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
 - ix) Encashment of unavailed privilege leave at the end of the tenure of the appointment.
 - x) Company maintained car with driver.
 - xi) Land line telephone(s) at the residence and mobile phone(s) for official use.
6. In the event of no profit or inadequacy of profits in any financial year, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration.
 7. The Executive Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than one hundred twenty days during the tenure of this appointment.
 8. The Executive Director shall be entitled to:
 - a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company.
 - b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company.
 9. The Executive Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
 10. The Executive Director shall not become interested or otherwise concerned directly or through his wife and/or children, in any selling agency of the Company.
 11. The Executive Director shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company or any information or knowledge obtained by him during his employment as to the business or affairs of the Company.
 12. The Executive Director shall, at the time of termination of his employment, deliver to the Company any property or other documents of the Company in his possession.
 13. The Company may forthwith terminate the employment, if the Executive Director shall at anytime be prevented by ill-health or accident from performing his duties.
 14. The Company shall be entitled to forthwith terminate the agreement if the Executive Director becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.
 15. In the case of death of the Executive Director in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
 16. The Company may by giving not less than thirty days notice in writing determine this agreement if the Executive Director is guilty of inattention to or negligence in the conduct of the Company's business.
 17. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at anytime by giving to the other party 60 days notice in writing in that behalf without the necessity of showing any cause.
 18. The terms and conditions including the remuneration payable to the Executive Director for the appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit.

Except Mr. Pranay Godha himself, his father Mr. Premchand Godha, Chairman & Managing Director and his brother Mr. Prashant Godha, Executive Director, none of the other Directors of the Company may be considered to be interested or concerned in passing of this resolution. Mr. Pranay Godha, Mr. Premchand Godha and Mr. Prashant Godha are part of the promoters group of the company.

The Board recommends approval to his re-appointment as the Executive Director of the Company.

This statement may be considered as the abstract of the terms and conditions of the agreement for re-appointment of Mr. Pranay Godha as the Executive Director for a further period of 5 years with effect from 11th November, 2013 under Section 302 of the Companies Act, 1956.

The agreement dated 24th October, 2013 referred to in the notice will be available for inspection by the members at the Registered Office of the Company during working hours on all working days upto the date of the Extraordinary General Meeting and shall also be placed before the members at the said Extraordinary General Meeting.

Item No. 2

The present limit of investment by Foreign Institutional Investors (FIIs) in the Company's equity share capital is 24% under the Portfolio Investment Scheme under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000. This limit can be increased to the sectoral cap / statutory ceiling by a Company by passing a special resolution of its members with a prior intimation to the Reserve Bank of India.

As per the Sector-Specific policy of RBI for foreign investment, the permitted investment ceiling for FIIs under 'Pharmaceuticals' sector is 100%, subject to RBI approval and the present free float of your Company's shares (excluding promoter holding) is about 54.11%.

Considering the recent trend of investments by FIIs in the Company, it would be desirable to raise the FIIs investment limit to 35%. The Board of Directors has therefore vide Resolution dated 24th October, 2013; approved the said increase in the FIIs investment limit in the share capital of the Company subject to necessary approval of the shareholders and that of Reserve Bank of India.

As the participation of FIIs in the capital of a Company normally enhances the shareholders value, the Board recommends this resolution for your approval.

The Directors of the Company may be deemed to be concerned or interested in this resolution to the extent of their shareholding in the Company.

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Kandivli (West), Mumbai 400 067.

Mumbai
24th October, 2013

By Order of the Board
For Ipca Laboratories Ltd.

Harish P. Kamath
Corporate Counsel &
Company Secretary