

NEULAND LABORATORIES LIMITED

(CIN: L85195TG1984PLC004393)

Registered Office: Sanali Info Park, 'A' Block, Ground floor, 8-2-120/113, Road No. 2, Banjara Hills, Hyderabad-34.

E-mail : ir@neulandlabs.com, website : www.neulandlabs.com, Tel: +91-40-30211600

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of Neuland Laboratories Limited will be held on Friday, August 10, 2018 at 2.30 p.m. at the Grand Ball Room, Taj Krishna, Road No. 1, Banjara Hills, Hyderabad-500034, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the reports of the board of directors and the auditors thereon
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the report of the auditors thereon.
2. To appoint a Director in place of Mr. Davuluri Saharsh Rao (DIN: 02753145) who retires by rotation and, being eligible, seeks re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit to pass the following resolution as **Special Resolution**:

"RESOLVED THAT in partial amendment of the special resolution dated June 24, 2014, approval of the Company be and is hereby accorded pursuant to the provisions of Section 196,197, 203 and all other applicable provisions if any of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to approvals, if any required, for payment of minimum remuneration of ₹1,20,00,000/- per annum to Dr. Davuluri Rama Mohan Rao (DIN : 00107737), Chairman & Managing Director of the Company, in the event the Company does not earn any profits or earns inadequate profits in any financial year from April 1, 2018 till the balance period of his tenure, i.e., March 31, 2019."

"RESOLVED FURTHER THAT in addition to the above, Dr. Davuluri Rama Mohan Rao will also be entitled to the following benefits as per policy/rules of the Company in force or the Board may approve as from time to time.

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year or service, and,
- iii. Encashment of leave at the time of retirement.

"RESOLVED FURTHER THAT, subject to compliance with the provisions of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment

thereof for the time being in force) (the "Act") read with Schedule V to the said Act, and subject to approvals, if any required, the Board be and is hereby authorised to vary and revise the individual components of the above remuneration as may be agreed to by the Board and Dr. Davuluri Rama Mohan Rao.

"RESOLVED FURTHER THAT the other terms and conditions of the appointment of Dr. Davuluri Rama Mohan Rao shall remain unchanged".

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary and incidental to give effect to the resolution"

4. To consider and if thought fit to pass the following resolution as **Special Resolution**:

"RESOLVED THAT in partial amendment of the resolution dated August 14, 2015, approval of the Company be and is hereby accorded pursuant to the provisions of Section 196,197, 203 and all other applicable provisions if any of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to approvals, if any required, for payment of minimum remuneration of ₹1,20,00,000/- per annum to Mr.Davuluri Saharsh Rao (DIN: 02753145), Whole Time Director of the Company designated as Joint Managing Director, in the event the Company does not earn any profits or earns inadequate profits in any financial year from April 1, 2018 till the balance period of his tenure, i.e., May 30, 2020."

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

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year or service, and,
- iii. Encashment of leave at the time of retirement.

"RESOLVED FURTHER THAT, subject to compliance with the provisions of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, and subject to approvals, if any required, the Board be and is hereby authorised to vary and revise the individual components of the above remuneration as may be agreed to by the Board and Mr. Davuluri Saharsh Rao.

"RESOLVED FURTHER THAT the other terms and conditions of the appointment of Mr. Davuluri Saharsh Rao shall remain unchanged".

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary and incidental to give effect to the resolution"

5. To consider and if thought fit to pass the following resolution as **Special Resolution:**

"RESOLVED THAT in partial amendment of the special resolution dated August 2, 2013, approval of the Company be and is hereby accorded pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions if any of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to approvals, if any required, for payment of minimum remuneration of ₹1,20,00,000/- per annum to Mr. Davuluri Sucheth Rao (DIN : 00108880), Whole Time Director of the Company designated as Vice Chairman & Chief Executive Officer, in the event the Company does not earn any profits or earns inadequate profits in any financial year during the balance period of his tenure from April 1, 2018 till the balance period of his tenure, i.e., July 31, 2018."

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

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year or service, and,
- iii. Encashment of leave at the time of retirement.

"RESOLVED FURTHER THAT, subject to compliance with the provisions of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, and subject to approvals, if any required, the Board be and is hereby authorised to vary and revise the individual components of the above remuneration as may be agreed to by the Board and Mr. Davuluri Sucheth Rao.

"RESOLVED FURTHER THAT the other terms and conditions of the appointment of Dr. Davuluri Sucheth Rao shall remain unchanged".

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary and incidental to give effect to the resolution"

6. To consider and if thought fit to pass the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and any other applicable

provisions of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Company, be and is hereby accorded for the re-appointment of Mr. Davuluri Sucheth Rao (DIN: 00108880) as Whole Time Director designated as Vice Chairman & Chief Executive Officer of the Company for a period of five (5) years effective from August 1, 2018 on a remuneration within the overall ceiling limit of 5% of the net profits of the Company as per the Companies Act, 2013, and such other approvals, if any required, as set out below:

- (a) Salary and perquisites: *In the range of ₹1,20,00,000 to ₹3,00,00,000* per annum and any increase to be determined by the Board, from time to time in accordance with the limits specified in under Companies Act, 2013, as amended from time to time. The annual or other increments will be merit based and will take into account the Company's performance.
- (b) Perquisites: He shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively called "perquisites") such as unfurnished residential accommodation, medical reimbursement, leave travel assistance / allowance, membership fees of clubs, hospitalization and accident insurance, security at residence and any other perquisites as per policy/ rules of the Company in force or as may be approved by the Board with authority to the Board to amend the same from time to time.

In addition to the above, Mr. Davuluri Sucheth Rao shall also be entitled to the following benefits as per policy/ rules of the Company in force or the Board may approve as from time to time.
 - Company maintained car with driver
 - Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
 - Gratuity payable at a rate not exceeding half a month's salary for each completed year or service, and,
 - Encashment of leave at the time of retirement.
- (c) Commission: As may be decided by the Board in accordance with the overall ceiling limit specified under the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Davuluri Sucheth Rao, the minimum remuneration by way of salary, statutory benefits or any other allowances as specified under the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT the individual components of the above remuneration be decided and revised as may be agreed to by the Board and Mr. Davuluri Sucheth Rao, in accordance with the limits specified under the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard.

RESOLVED FURTHER THAT the Board or Mr. Davuluri Sucheth Rao shall be entitled to terminate the appointment of Mr. Davuluri Sucheth Rao by giving twelve months' notice in writing or such shorter notice as may be mutually agreed between him and the Board."

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

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and subject to approval as may be required from the Central Government, the reappointment of M/s. Nageswara Rao & Co., Cost Accountants, (Registration No. 000332), Hyderabad, as Cost Auditors to audit the cost records maintained by the Company for the financial year ending March 31, 2019, on a remuneration of ₹ 2,00,000/- (Rupees Two lakhs only) excluding taxes as may be applicable, in addition to reimbursement of all out-of-pocket expenses, be and is hereby ratified."

For and on behalf of the Board

Sd/-

Dr. Davuluri Rama Mohan Rao
Chairman & Managing Director
(DIN: 00107737)

Hyderabad, May 11, 2018

NOTES

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company.**

The instrument of proxy, to be effective, should be deposited at the registered office of the Company not later than 48 hours before the commencement of the Meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Registrar and Transfer Agent of the Company, Karvy Computershare Private Limited (Karvy), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), with respect to the Special Business set out in Item Nos. 3 to 7, is annexed hereto.
6. The relevant details as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, of persons seeking re-appointment relating to Item No. 2 and 6 of the Notice are provided under Corporate Governance Report, in the Annual Report, being sent along with this Notice.
7. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting.
8. The Company has notified that the Register of Members and Share Transfer Books of the Company will remain closed from **August 7 to August 10, 2018 (both days inclusive)**.
9. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
10. Members desiring any information as regard accounts are requested to write to the Company on or before August 3, 2018, to the attention of the Company Secretary, so as to enable the Company to keep the information ready.
11. Information in respect of unclaimed dividend pursuant to the provisions of Section 124 of the Companies Act, 2013 (corresponding provisions of Section 205A of the Companies Act, 1956), and the dates by which they need to be transferred is given below:

Financial year	Date of declaration	Due date for transfer to IEPF
2010-11	No dividend declared	Not Applicable
2011-12	No dividend declared	Not Applicable
2012-13	August 2, 2013	September 1, 2020
2013-14	June 24, 2014	July 23, 2021
2014-15	August 14, 2015	September 12, 2022
2015-16	August 12, 2016	September 10, 2023
2016-17	No dividend declared	Not Applicable

Details of unclaimed dividend in respect of the financial year ended March 31, 2013 and up to and including the financial year ended March 31, 2016 as on December 28, 2017, are available on the Company's website, www.neulandlabs.com and also on the website of the Ministry of Corporate Affairs. Members should

write to Karvy or the Company, if they have not encashed the dividend warrants so far in respect of the aforesaid financial year(s), well in advance of the above due dates.

After completion of seven years, no claims shall lie against the said fund or against the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims under the Companies Act, 1956. The Companies Act, 2013 provides for claiming such dividends from the Central Government.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Karvy.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
14. The brief profile of the Directors proposed to be re-appointed is given in the Annual Report, being sent along with this Notice.
15. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
16. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically. Members holding the shares in physical form may register their e-mail addresses through the Registrar & Transfer Agent, giving reference of their Folio Number.
17. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the financial year 2017-18 will also be available on the Company's website www.neulandlabs.com for download.
18. Non-Resident Indian Members are requested to inform Karvy, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

19. **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their votes on resolutions through e-voting services

provided by Karvy Computershare Private Limited ("Karvy").

The E-voting period commences on August 7, 2018 (9:00 a.m. IST) and ends on August 9, 2018 (5:00 p.m. IST). During this period, **Members of the Company, holding shares either in physical form or in dematerialized form, as on August 3, 2018 (Cut-off date), may cast their vote electronically.** The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

Instructions for electronic voting are as under:

(A) For members who receive notice of annual general meeting through e-mail:

- i. Open the internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVENT number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the E-Voting Event Number for Neuland Laboratories Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above.
- viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email dhr300@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_EVENT No."

(B) For members who receive the notice of annual general meeting in physical form:

- i. Members holding shares either in demat or physical mode who are in receipt of notice in physical form, may cast their votes using the ballot form enclosed to this notice. Please refer instructions given in the said form for more details.
- ii. Members may alternatively opt for e-voting, for which the E-Voting Event Number (EVEN), User ID and Password is provided at the bottom of the ballot form. Please follow steps from Sl. No. (i) to (xii) under heading A of Note no. 19 above to vote through e-voting platform.

20. For members who wish to vote using ballot form:

Members who do not have access to e-voting facility may fill in the ballot form sent along with the notice and submit the same in a sealed envelope to The Scrutinizer, Unit: Neuland Laboratories Limited, C/o Karvy Computershare Private Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 on or before August 9, 2018 by 5.00 p.m.

Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event a member casts his votes through both the processes i.e. e-voting and ballot form, the votes in the electronic system would be considered and the ballot form would be ignored.

21. Voting facility at Annual General Meeting

- (i) In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the Meeting, through ballot form and members attending the meeting who have not already cast their votes by remote e-voting or ballot form as mentioned above shall be able to exercise their right at the meeting.
- (ii) Members who have cast their votes by remote e-voting or ballot form prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.

General Instructions regarding voting

22. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.

23. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., August 3, 2018, may obtain the User ID and password in the manner as mentioned below:

- (a) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (b) Member may call Karvy's toll free number 1-800-3454-001.
- (c) Member may send an e-mail request to ir@neulandlabs.com

If the member is already registered with Karvy e-voting platform then he can use his existing User ID and Password for casting the vote through remote e-voting.

24. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on August 3, 2018. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through Ballot Paper.
25. The Company has appointed Mr. D. Hanumanta Raju or failing him, Ms. Shaik Razia, Partners, D. Hanumanta Raju & Co., Practising Company Secretaries, Hyderabad, as the Scrutinizer to the e-voting process, (including voting through ballot form received from the members) and voting at the venue of the annual general meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
26. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than two days from the conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
27. The Scrutinizer shall submit his/her report to the Chairman, who shall declare the result of the voting. The results declared along with the Scrutinizer's report shall be placed on the Company's website: www.neulandlabs.com and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the annual general meeting of the Company scheduled to be held on August 10, 2018.
28. Subject to receipt of requisite number of votes, all the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 10, 2018.
29. In case a Member is desirous of obtaining a duplicate Ballot Form, such member may send an e-mail to evoting@karvy.com by mentioning their Folio/DP ID and Client ID No.

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item Nos. 3, 4 & 5

The special resolutions set forth under Item Nos. 3, 4 & 5 of the Notice is for payment of minimum remuneration to the managerial persons concerned, in the event of loss or inadequacy of profits, during any of the financial years comprised in the balance term of office of the aforesaid managerial persons.

The Nomination and Remuneration Committee of the Board, vide its resolution dated May 11, 2018, has recommended the resolutions set out under Item Nos. 3, 4 & 5 of the Notice for the approval of the Board. Thereafter, the Board of Directors, at the meeting held on May 11, 2018, approved the above resolutions, subject to the approval of the shareholders and other approvals, if any required.

The above resolutions are proposed in pursuance of the Section 2 of Schedule V to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to provide for payment of Minimum Remuneration, in the event of absence or inadequacy of profits.

The information as required under Section 2 of Schedule V to the Companies Act, 2013 is provided as Annexure 1 to the Explanatory Statement.

The other terms of appointment of Dr. Davuluri Rama Mohan Rao, Mr. Davuluri Saharsh Rao and Mr. Davuluri Sucheth Rao as per the resolutions for their appointment dated June 24, 2014, August 14, 2015 and August 2, 2013 respectively remain unchanged.

Except Dr. Davuluri Rama Mohan Rao, Mr. Davuluri Sucheth Rao, and Mr. Davuluri Saharsh Rao, no other director or Key Managerial Personnel (KMP) or relatives of directors and KMPs is interested or concerned in the above items of business.

The Board of Directors recommends the Special Resolutions set out under Item Nos. 3, 4 and 5 of the Notice for approval of the Members.

Item No. 6

Mr. Davuluri Sucheth Rao (aged 42 years) is a Mechanical Engineer and has completed his Masters' in Business Administration in Corporate Finance from the University of Notre Dame, USA. He held the position of Production Group leader in Cummins Inc, USA and later went on to become a Green belt in Six Sigma. He joined the Company in 2002 as the Senior Vice President, as an Executive Director, Operations and was later appointed on the Board of the Company in 2003.

Mr. Sucheth was re-appointed as a Whole Time Director of the Company at the 29th Annual General Meeting held on August 1, 2013 for a period of 5 years ending July 31, 2018. Mr. Sucheth Rao has been actively involved in the Company's operations, business strategy, business development, finance and human resources functions of the Company.

During his present tenure, he was instrumental in the acquisition of a manufacturing facility of 197 KL by the Company and also the merger of the holding and associate companies with the Company. During this period, the manufacturing facilities of the Company achieved successful endorsement without any non-compliance from various regulatory audits viz., USFDA, EMA, ANVISA, ANSM, KFDA, PMDA, etc. more than once.

Under his leadership, the Company has taken major initiatives in streamlining the sales planning process, working capital management, critical chain project management and other cost optimization initiatives like process improvement and development

through Research and Development and improvement of profitability through change in product mix by focusing niche products.

The Board of Directors, at their meeting held on May 11, 2018, had recommended the re-appointment of Mr. Sucheth as Whole Time Director designated as Vice-Chairman & Chief Executive Officer of the Company for a further period of 5 years commencing effective August 1, 2018 on the terms and conditions and remuneration as set out in the Resolution under this item of the accompanying notice.

In accordance with the Schedule V and other applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and on the recommendation made by the Nomination & Remuneration Committee of the Company at its meeting held on May 11, 2018, the Board of Directors of the Company at its meeting held on even date have approved the payment of a minimum remuneration to Mr. Sucheth Rao, comprising of salary and benefits as per Schedule V of the Companies Act, 2013, for a period of three years, i.e., from August 1, 2018 to July 31, 2021, subject to such other approvals as may be necessary, in the absence or inadequacy of profits in any financial year(s) during such period. The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 6, provided in the annexure 1.

Mr. Sucheth Rao holds 3,20,022 shares of the Company. He does not hold directorship in any Indian companies.

The resolution set out in the notice under this item and the explanatory statement shall be treated as an abstract under section 190 of the Companies Act, 2013.

Except Mr. Davuluri Sucheth Rao, Dr. Davuluri Rama Mohan Rao and Mr. Davuluri Saharsh Rao, no other director or Key Managerial Personnel (KMP) or relatives of directors and KMPs is interested or concerned in the above item of business.

The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

Item No. 7

The Board of Directors have at the meeting held on May 11, 2018, on the recommendation of the Audit Committee, approved the reappointment of the Cost Auditors, M/s. Nageswara Rao & Co., Cost Accountants and remuneration payable to them, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment of and remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

For and on behalf of the Board

Sd/-
Dr. Davuluri Rama Mohan Rao
Chairman & Managing Director
(DIN: 00107737)

Hyderabad, May 11, 2018

Annexure 1**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013:****I. GENERAL INFORMATION**

- Nature of Industry: Pharmaceutical
- Date of commencement of commercial production: The Company is in operation since 1986.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

3. Financial performance (standalone): (₹ Lacs)

Particulars	2017-18	2016-17
Total Income	53,369.60	58,889.32
Profit before finance cost, depreciation, amortization and tax	5,456.51	10,685.75
Profit before Tax	1,354.03	6,655.17
Profit after Tax	1,180.81	4,638.40

- Foreign Investment or collaborators, if any: The total Company has total foreign investment of 23.37%, including Foreign Bodies, FPIs and NRIs as on May 11, 2018. The Company has no foreign collaborators and hence there is no equity participation by foreign collaborators in the Company.

II. Information about the Directors seeking fixation of remuneration at the forthcoming Annual General Meeting

	Name of the Director	Dr. Davuluri Rama Mohan Rao	Mr. Davuluri Sucheth Rao	Mr. Davuluri Saharsh Rao
1	Background Details	Dr. D.R.Rao is the Chief Promoter of Neuland. He has a Masters' in Science from Andhra University, Post Graduate Diploma in Technology from IIT Kharagpur and a PhD in Organic Chemistry from the University of Notre Dame, U.S.A. Prior to promoting Neuland in 1984, he had held senior positions in R&D, Production and Quality Assurance at Glaxo India for about ten. He is a member of Royal Society of Chemistry.	Mr. D. Sucheth Rao, Vice-Chairman and Chief Executive Officer, has a degree in Mechanical Engineering and holds an MBA in Corporate Finance and Operations Management from University of Notre Dame, U.S.A. He was Production Group Leader in Cummins Inc., U.S.A. and later went on to become a green belt in Six Sigma. His background primarily consists of exposure to various fields of business such as marketing, finance, manufacturing, operations and information technology.	Mr. Saharsh Rao, Joint Managing Director, is an Electrical Engineering Graduate and obtained his Masters' in Management Information Systems from Weatherhead School of Management, Cleveland, Ohio, U.S.A. He also secured Master of Business Administration from University of North Carolina, U.S.A. He has worked in the past with Sify Limited in various roles in the Sales organization. Saharsh spent some time with a venture fund focused on Lifesciences in the Research Triangle.
2	Past remuneration	Remuneration of last 3 years are as follows: 2015-16: ₹140.00 lacs 2016-17: ₹163.13 lacs 2017-18: ₹60.00 lacs	Remuneration of last 3 years are as follows: 2015-16: ₹110.00 lacs 2016-17: ₹141.37 lacs 2017-18: ₹60.00 lacs	Remuneration of last 3 years are as follows: 2015-16: ₹102.96 lacs 2016-17: ₹130.50 lacs 2017-18: ₹50.00 lacs

3	Job profile and his suitability	<p>Dr. Rao is the Chairman and the Managing Director of the Company. He acts subject to oversight of the Board of Directors of the Company supported by a committed workforce, staff and managers.</p> <p>His eminent stewardship enabled the Company to obtain several FDA approvals and certificates of suitability from European countries for several Active Pharmaceutical Ingredients. His vision has enabled the Company to secure an impressive growth in the export market. His commitment to quality has enabled the Company to secure a respectable position in the Indian pharmaceutical industry.</p>	<p>Mr. D. Sucheth Rao is the Vice-Chairman and Chief Executive Officer and has been actively involved in managing Neuland since 2002, initially as Chief Operating Officer (COO) and then as CEO. He is equipped with broad-based management skills in new business development, sales & marketing and operations management. He has direct P&L responsibility at the board level enhanced by the necessity to comply with high standards of corporate governance for a listed company, Quality related regulations and EHS (Environment, Health & Safety) laws. At Neuland, Sucheth has been responsible for establishing subsidiaries in the US & Japan, increasing Sales from Regulated Markets, strengthening Quality Management Systems, driving Neuland's strategy towards niche APIs & the CMS Business.</p>	<p>Mr. D. Saharsh Rao, Joint Managing Director, He joined Neuland in 2007, with responsibility for initiating the Custom Manufacturing Solutions (CMS) business. He has been leading key strategic corporate actions and has been responsible for driving business development for the CMS business. Saharsh has been responsible for the focus on building capabilities in the Peptides area, where Neuland is being recognized for its strengths as a result of its proprietary purification technology and experience garnered over the last ten years working in the space. He is currently responsible for all Marketing and Business Development activities along with oversight of R&D.</p>
4	Remuneration proposed	As stated in the Resolution proposed under Item No. 3.	As stated in the Resolutions proposed under Item Nos. 5 & 6.	As stated in the Resolution proposed under Item No. 4.
5	Comparative remuneration profile with respect to the industry	The remuneration as proposed is comparable or lesser than to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and its business.	The remuneration as proposed is comparable or lesser than to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and its business.	The remuneration as proposed is comparable or lesser than to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and its business.
6	Pecuniary relationship directly or indirectly with the Company or relationship with other managerial personnel, if any	<p>He is the Chief Promoter and is the Chairman & Managing Director and also a major shareholder of the Company.</p> <p>He is also the Non-Executive Chairman on the Board of M/s. Patancheru Envirotech Limited, which also has a pecuniary relationship with the Company.</p> <p>Mr. Davuluri Sucheth Rao, Vice Chairman & CEO and Mr. Davuluri Saharsh Rao, Joint Managing Director, of the Company are relatives of the incumbent.</p>	<p>He is a promoter-shareholder of Neuland Laboratories Limited and holds about 2.49% in the Company as on May 11, 2018.</p> <p>Dr. Davuluri Rama Mohan Rao, Chairman & Managing Director and Mr. Davuluri Saharsh Rao, Joint Managing Director are relatives of the incumbent.</p>	<p>He is a promoter-shareholder of Neuland Laboratories Limited holds about 1.90% in the Company as on May 11, 2018.</p> <p>Dr. Davuluri Rama Mohan Rao, Chairman & Managing Director and Mr. Davuluri Sucheth Rao, Vice Chairman & Chief Executive Officer are relatives of the incumbent.</p>

III. Other information

1. Reasons of loss or inadequacy of profits:

The Company is part of Pharma Industry which is characterised by volatility in profits due to various reasons such as delay in customer orders, high R&D expenditure on future products, temporary issues in raw material sourcing, regulatory audits among others. The Company is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, in the event the Company's profitability is adversely impacted in future due to business environment, during the period for which remuneration is payable to the respective directors.

2. Steps taken or proposed to be taken for improvement:

The Company has been taking various strategic measures such as enhancing the product portfolio (including CMS), customer base a, geographical expansion and developing multiple procurement sources. Along with this the Company continuously works on cost optimisation to ensure competitiveness of its products and overall profitability. It follows very strict cGMP guidelines.

3. Expected increase in productivity and profits in measurable terms:

The Company has taken significant positive actions which are expected to yield sustained growth as well as face future challenges and it is continuing to take steps which will enable the growth of the Generic Drug Substance and Custom Manufacturing Solutions business. It has been aggressively pursuing and implementing its strategies to improve financial performance.

IV. Disclosures

Disclosures on managerial remuneration, fees, stock options, if any, are mentioned in the Director's Report, forming part of the Annual Report of FY 2017-18 of the Company, to be considered at the ensuing Annual General Meeting.



NEULAND LABORATORIES LIMITED
(CIN: L85195TG1984PLC004393)

Registered Office:
Sanali Info Park, 'A' Block, Ground floor, 8-2-120/113, Road No. 2, Banjara Hills, Hyderabad-34.

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING
(to be surrendered at the venue of the meeting)



I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Neuland Laboratories Limited.

I hereby record my presence at the Thirty Fourth Annual General Meeting of the shareholders of Neuland Laboratories Limited at the Grand Ball Room, Taj Krishna, Road No. 1, Banjara Hills, Hyderabad at 2.30 p.m. on Friday, the 10th Day of August, 2018.

DP ID*	Reg. Folio No.
Client ID*	No. of Shares

* Applicable if shares are held in electronic form

Name & Address of Member

**Signature of Shareholder/Proxy/
Representative (Please Specify)**

NEULAND LABORATORIES LIMITED

(CIN: L85195TG1984PLC004393)



Registered Office:

Sanali Info Park, 'A' Block, Ground floor, 8-2-120/113, Road No. 2, Banjara Hills, Hyderabad-34.

Form No. MGT-11

Proxy form

(to be surrendered at the venue of the meeting)



[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L85195TG1984PLC004393		
Name of the Company	Neuland Laboratories Limited		
Registered Office	Sanali Info park, 'A' Block, Ground floor, 8-2-120/113, Road No. 2, Banjara Hills, Hyderabad-500034.		
Name of the member(s)			
Registered Address			
Email Id			
Folio No / Client Id	DP ID		

I /We, being the member(s) of _____ shares of the above-named Company, hereby appoint

1.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			
2.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			
3.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 34th Annual General Meeting of the Company, to be held on Friday, August 10, 2018 at 2.30 p.m at the Grand Ball Room, Taj Krishna, Road No. 1, Banjara Hills, Hyderabad- 500034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item no.	Resolutions
1.	To receive consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Report of the Auditors thereon.
2.	Re-appointment of Mr. Davuluri Saharsh Rao, who retires by rotation.
	Special Business
3.	Payment of minimum remuneration to Dr. Davuluri Rama Mohan Rao, Chairman & Managing Director of the Company.
4.	Payment of minimum remuneration to Mr. Davuluri Saharsh Rao, Whole Time Director of the Company designated as Joint Managing Director.
5.	Payment of minimum remuneration of to Mr. Davuluri Sucheth Rao, Whole Time Director of the Company designated as Vice Chairman & Chief Executive Officer.
6.	Re-appointment of Mr. Davuluri Sucheth Rao as Whole Time Director designated as Vice Chairman & Chief Executive Officer of the Company for a period of five years from August 1, 2018.
7.	Ratification of Cost Auditor's Remuneration.

Signed this day of 2018.

Signature of shareholder: _____

Signature of Proxy holder (s): _____

Affix Revenue stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.

NEULAND LABORATORIES LIMITED

(CIN: L85195TG1984PLC004393)



Registered Office:

Sanali Info Park, 'A' Block, Ground floor, 8-2-120/113, Road No. 2, Banjara Hills, Hyderabad-34.

BALLOT FORM

(In lieu of E-voting)

34th Annual General Meeting -10th August 2018

Sl. No	Particulars	Details
1.	Name of the shareholder	
2.	Registered address	
3.	Registered Folio/DPID & Client ID No.	
4.	No. of Shares held	

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 34th Annual General Meeting of the Company scheduled to be held on Friday, August 10, 2018, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Item no.	Description	No. of equity shares	I / We assent to the resolution (For)	I / We dissent to the resolution (Against)
1.	To receive consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Report of the Auditors thereon.			
2.	Re-appointment of Mr. Davuluri Saharsh Rao, who retires by rotation.			
	Special Business			
3.	Payment of minimum remuneration to Dr. Davuluri Rama Mohan Rao, Chairman & Managing Director of the Company.			
4.	Payment of minimum remuneration to Mr. Davuluri Saharsh Rao, Whole Time Director of the Company designated as Joint Managing Director.			
5.	Payment of minimum remuneration of to Mr. Davuluri Sucheth Rao, Whole Time Director of the Company designated as Vice Chairman & Chief Executive Officer.			
6.	Re-appointment of Mr. Davuluri Sucheth Rao as Whole Time Director designated as Vice Chairman & Chief Executive Officer of the Company for a period of five years from August 1, 2018.			
7.	Ratification of Cost Auditor's Remuneration.			

Place:

Date:

Signature of Shareholder

NOTE: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer, Mr D. Hanumanta Raju or failing him Ms. Shaik Razia, Partners, D. Hanumanta Raju & Co, Practising Company Secretaries, Unit: Neuland Laboratories Limited, C/o Karvy Computershare Private Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 by 5.00 p.m. on August 9, 2018 shall only be considered.

INSTRUCTIONS

1. Members may fill up the ballot form printed overleaf and submit the same in a sealed envelope addressed to the Scrutinizer, Unit: Neuland Laboratories Limited, C/o Karvy Computershare Private Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 or to the email id einward.ris@karvy.com, so as to reach by 5.00 p.m. on **August 9, 2018**. Ballot form received thereafter will strictly be treated as if not received.
2. It is optional to indicate your preference. If you leave the for or against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she deem appropriate.
3. The Company will not be responsible if the envelope containing the ballot form is lost in transit.
4. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the scrutinizer on the validity of the forms will be final.
5. In the event member casts his votes through both the processes i.e. e-voting and ballot form, the votes in the electronic system would be considered and the ballot form would be ignored.
6. The right of voting by ballot form shall not be exercised by a proxy.
7. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic / demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Private Limited). Members are requested to keep the same updated.
8. There will be only one ballot form for every Folio/DP ID Client ID irrespective of the number of joint holders.
9. In case of joint holders, the ballot form should be signed by the first named member and in his/her absence by the next named member. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such ballot form from other joint holders.
10. Where the ballot form has been signed by an authorized representative of the body corporate/trust/society, etc. a certified copy of the relevant authorisation/board resolution to vote should accompany the ballot form.
11. Instructions for e-voting procedure are available in the Notice of AGM which is also placed on the website of the Company.

Shareholders who wish to use e-voting should follow the steps for e-voting procedures given in the Notice of AGM by logging on to – <https://evotin.karvy.com>