

STRIDES ARCOLAB LIMITED

Registered Office: 201, 'Devavrata' Sector-17, Vashi, Navi Mumbai - 400 705.
Corporate Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bangalore - 560 076.



Notice pursuant to Section 192A (2) of the Companies Act, 1956 Read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001

The Board of Directors of your Company has approved the following resolution for approval of the Shareholders through Postal Ballot as per section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Accordingly, the said Resolution and the Explanatory Statement are being sent to you along with a Postal Ballot Form for your consideration.

The Company has appointed Mr. Gigi Joseph K.J, Practicing Company Secretary of M/s. BG & Associates, Bangalore as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on September 12, 2011.

The Scrutinizer will submit his report after completion of the scrutiny and the results of the Postal Ballot will be announced on September 13, 2011 and displayed at the Registered Office and Corporate Office of the Company.

RESOLUTION

Revision in remuneration of Mr. V.S Iyer (Executive Director)

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

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956, including schedule XIII to the Companies Act, 1956 the remuneration of Mr. V.S Iyer, Executive Director be revised as under w.e.f January 01, 2011 subject to such approvals including that of the Central Government, if any, as may be required under the applicable law.

- Annual salary of Rs.2.25 Crores (cost to company (CTC)) including all allowances and perquisites.
- Bonus / Performance evaluation payment of upto Rs. 5 Crores per annum as may be recommended / approved by the Remuneration Committee / Board of Directors.
- Shall be eligible for annual increment in CTC every year as may be recommended / approved by the Remuneration Committee / Board of Directors.

Provision for use of Company's car for official duties and telephone at residence (including payment for local calls / long distance calls / broadband services) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the payment of the salary, perquisites and other allowances shall be governed by the limits prescribed under Section II, Part II of Schedule XIII of the Companies Act, 1956 or any amendment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company is be and hereby authorized to do all such acts, deeds, matters and things necessary to carry on the terms of this resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Board of Directors of the Company in their meeting held on January 19, 2010 had appointed Mr. V.S Iyer as an Executive Director for a period of 5 years with effect from January 19, 2010 and his appointment was approved by the Shareholders under Section 257 of the Companies Act, 1956 at their Annual General Meeting held on May 31, 2010, at the original terms of appointment as under:

- Annual salary of Rs.2.25 Crores (cost to company (CTC)) including all allowances and perquisites.
- Bonus / Performance evaluation payment of upto 50% of CTC as may be recommended / approved by the Remuneration Committee /Board of Directors.
- Shall be eligible for annual increment in CTC every year as may be recommended / approved by the Remuneration Committee / Board of Directors.

Provision for use of Company's car for official duties and telephone at residence (including payment for local calls / long distance calls /broadband services) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

At the Board meeting held on July 27, 2011, the Board of Directors have revised the remuneration of Mr. V. S. Iyer w.e.f January 01, 2011 as under, subject to the approval of members of the Company and subject to such approvals including that of the Central Government, if any, as may be required under the applicable law:

- Annual salary of Rs.2.25 Crores (cost to company (CTC)) including all allowances and perquisites.
- Bonus / Performance evaluation payment of upto Rs. 5 Crores per annum as may be recommended / approved by the Remuneration Committee /Board of Directors.
- Shall be eligible for annual increment in CTC every year as may be recommended / approved by the Remuneration Committee / Board of Directors.

Provision for use of Company's car for official duties and telephone at residence (including payment for local calls / long distance calls /broadband services) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the payment of the salary, perquisites and other allowances shall be governed by the limits prescribed under Section II, Part II of Schedule XIII of the Companies Act, 1956 or any amendment thereof.

Information as required under Schedule XIII of the Companies Act, 1956 is given below:

I. GENERAL INFORMATION

1. **Nature of Industry:** Pharmaceutical Industry
2. **Date or expected date of commencement of commercial production :** Not applicable. (Company is an existing entity)
3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :** Not applicable
4. **Financial performance based on given indicators:**

Rs. in Millions

Particulars	FY 2010	FY 2009	FY 2008
Total Revenue	5,294.44	7,825.92	6,621.33
Total Expense	4,767.78	7,155.14	5,921.86
Profit / (Loss) After Tax	735.62	1,055.14	61.35
Dividend Rate	15%	15%	Nil

5. **Export performance and net foreign exchange collaborations:**

Foreign Exchange Earnings on FOB basis amounted to Rs. 3,277.19 Million as against Foreign Exchange Outgo of Rs.137.72 Million for the financial year ending December 31, 2010.

6. **Foreign investments or collaborators, if any:**

The Company is listed on National Stock Exchange of India Limited & Bombay Stock Exchange Limited and as on June 30, 2011, the foreign holding in the Company was 36.28%. There are no foreign collaborators.

II. INFORMATION ABOUT THE APPOINTEE

1. **Back ground details**

Mr. V. S. Iyer has a Masters in Science (Chemistry) and has a Diploma in Business Management. Mr. V. S. Iyer has been working with Strides Arcolab since 1999 and has over 30 years of experience in the field of pharmaceuticals business. Before his induction into the Board of Strides as Director in January 19, 2010, Mr. V. S. Iyer was serving as CEO - India Operations of Strides.

2. **Past remuneration, recognition or rewards, job profile and his suitability**

In terms of the sanction accorded by the Shareholders at their Annual General Meeting held on May 31, 2010, Mr. V. S. Iyer has drawn a sum of Rs. 2.25 Crores CTC as remuneration and a bonus / performance evaluation payment upto 50% of the CTC. Remuneration paid to Mr. V.S Iyer is within the terms as approved by the shareholders.

Mr. V.S. Iyer's expertise in managing the operations of the Company and his understanding of the Pharmaceutical Industry has contributed significantly to the growth of the Company.

Mr. V.S. Iyer heads the specialties division of the Company which operates from 8 world-class global manufacturing facilities, including one of the largest sterile capacities in India and amongst the largest lyophilization capacities in the world.

Under the leadership of Mr. V.S Iyer, the Company received USFDA approvals for the Company's Sterile and Oncology facilities. Against the rapid growth of specialties division and the increasing role it is playing in the Company's growth, the contribution of Mr.V.S Iyer has been remarkable.

3. **Remuneration proposed**

As stipulated in the resolution.

4. **Comparative remuneration Profile with respect to industry, size of the Company, profile of the position and person**

Mr. V.S Iyer has held key positions in the Company ever since his employment in the year 1999. His technical expertise has helped the Company strategically, resulting in the Company to expand rapidly and benefit from key opportunities in the Indian and Overseas markets.

Mr. V.S Iyer's skill set and experience places him in a correspondingly equal position to major pharmaceutical companies in India. Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

5. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

Mr. V.S Iyer has pecuniary relationship with the Company in his capacity as a Whole Time Director. He is not related to any of the managerial personnel in the Company.

III. Other information

Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms : Not applicable

This disclosure is only an enabling disclosure for payment of remuneration in the unlikely scenario of loss / inadequacy of profits.

IV. Disclosures

The proposed remuneration package : As detailed in the resolution.

This Explanatory Statement together with the accompanying Notice may be treated as an abstract under Section 302 of the Companies Act, 1956. The Board recommends the passing of the proposed resolution as Special Resolution and requests your approval for the same.

Except Mr. V.S Iyer, none of the directors of the Company are concerned or interested in the said resolution.

Bangalore
July 27, 2011

By the Order of the Board
For **Strides Arcolab Limited**

Badree Komandur
EVP - Finance & Company Secretary

STRIDES ARCOLAB LIMITED

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**POSTAL BALLOT FORM****Sl. No.**

- 1 Name(s) of Shareholder(s) (in block letters)
(including joint-holders, if any)
- 2 Registered address of the sole/
First named Shareholder/
Beneficial Owner
- 3 Registered Folio Number/DPID No./
Client ID No.*
(*Applicable to Investors holding
shares in dematerialized form)
- 4 Number of shares held
- 5 I/We hereby exercise my / our vote in respect of the following Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company dated July 27, 2011 by sending my/our assent or dissent to the said Resolution by placing the tick () mark at the appropriate box below:

Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Special Resolution for revision in remuneration of Mr. V.S Iyer, Executive Director of the Company.			

Place: Bangalore

Date:

(SIGNATURE OF THE SHAREHOLDER)**INSTRUCTIONS**

1. A Shareholder desiring to exercise Vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expense of the Registered Shareholder will also be accepted.
2. The self-addressed envelope bears the name of the scrutinizer appointed by the Board of Directors of the Company.
3. This Form should be completed and signed by the Shareholder. In case of Joint-holding, this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named Shareholder and in his absence, by the next named shareholder.
4. Postal Ballot cannot be exercised by a Proxy.
5. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.
6. Duly completed Postal Ballot Forms should reach the Company not later than the close of working hours on September 12, 2011. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Shareholder has not been received.
7. In case of Shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/ Authority.
8. Voting rights shall be reckoned on the Paid-up value of Shares registered in the name of the Shareholder on the date of despatch of the Notice.
9. **Shareholders are requested not to send any other paper along with the Postal Ballot Forms in the enclosed self-addressed Postage Prepaid Envelope in as much as all such Envelopes will be sent to the Scrutinizer and any extraneous paper found in the Envelopes would be destroyed by the Scrutinizer.**
10. The Scrutinizer's decision on the validity of a Postal Ballot will be final.