



Consistent Growth with  
**Trust** matters

Jenburkt Pharmaceuticals Limited  
Annual Report 2014-2015

 **JENBURKT**  
Delivering Excellence in Life Sciences



## Consistent Growth with Trust Matters

The world is at once, getting smaller, while growing larger. With new media and technology sprouting on an almost daily basis, more and more businesses are becoming highly aware, and also hugely empowered. Growth, in these dynamic times, requires a strong degree of focus, and consistent trust in one's philosophy. It is this very commitment that has helped Jenburkt.

Not only have we instituted several brand building initiatives, but also upgraded our systems and methodologies. We have introduced several high quality innovations, and carved a special place for ourselves in niche product segments. It has resulted in not just a better corporate brand, but helped weather volatile market conditions, and gain a strong financial foothold.

People are at the heart of what we do. It is the continuous and consistent trust of people within, and beyond our organisation, that has helped Jenburkt achieve growth. It is only fitting then, that we credit our success to Jenburktians, partners and stakeholders. The pages to follow will tell you about the year that was. It will also give you an idea of what you can expect from Jenburkt in the coming days. You can trust us to make the journey ahead, even more exciting.

## Founders

Hemendra N. Bhuta  
Uttam N. Bhuta

## Board of Directors

Ashish U. Bhuta	Chairman and Managing Director
Bharat V. Bhate	Independent Director
Rameshchandra J. Vora	Independent Director
Arun R. Raskapurwala	Independent Director
Dilip H. Bhuta	Whole Time Director & Chief Financial Officer
Devangi S. Shah	Independent Director (from 11.11.2014 to 04.05.2015)
Anjali S. Dalvi	Independent Director (from 24/07/2015)

## Company Secretary

Ashish R. Shah

## Auditors

D. L. Arora & Co.  
Chartered Accountants, Mumbai

## Bankers

Bank of Baroda

## Registered Office

Nirmala Apartments, 93, Jayprakash Road, Andheri (W), Mumbai – 400 058.  
CIN: L24230MH1985PLC036541  
Tel. No.: +91-22-67603603 • Fax. No.: +91-22-66943127  
E-mail: investor@jenburkt.com • Website: www.jenburkt.com

## Plant

11-12, GIDC, Phase - I, Bhavnagar Road, Sihor, Gujarat - 364240.

## Registrars & Transfer Agents

Bigshare Services Pvt. Ltd.  
E-2 & 3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072  
Tel. No.: 404 30 200. • E-mail: investor@bigshareonline.com • Website: www.bigshareonline.com

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## Notice

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of Jenburkt Pharmaceuticals Limited will be held on Tuesday, the 08<sup>th</sup> September, 2015 at 3:30 p.m. at the ISKCON Auditorium, Hare Krishna Land, Juhu, Mumbai - 400049 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the year ended on 31<sup>st</sup> March, 2015, together with the Directors' and Auditors' Report thereon.
2. To declare dividend for the Financial Year ended on 31<sup>st</sup> March, 2015.
3. To appoint a Director in place of Shri Ashish U. Bhuta (DIN-00226479), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint the Statutory Auditors and authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification the following resolution, as a Special Resolution:

“RESOLVED THAT pursuant to Sections 196, 197, 203 of Companies Act, 2013 (“the Act”) read with the Company (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule-V to the Act, clause-49 of the Listing Agreement (including any statutory alterations, modifications or re-enactments thereof for the time being in force), subject to all such other approvals as may be required, the consent of the Members be and is hereby accorded for the re-appointment of Shri Dilip H. Bhuta (DIN-03157252), as the Whole Time Director and Chief Financial Officer of the Company, for a period of 3 (three) years commencing from 1<sup>st</sup> April 2016 till 31<sup>st</sup> March 2019, whose terms of office shall be liable to retire by rotation and at a remuneration payable as under:

### Remuneration:

Salary, perquisites and allowances: Maximum payable up to Rs.4,00,000/- (Rupees Four lac only) per month, during the period commencing from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2019. Excluding all such other perquisites, benefits and allowances under the schemes / rules as applicable to the employees of the Company. Expenses incurred for and on behalf of the Company will be reimbursed at actual.

Annual increment will be effective from 1<sup>st</sup> of April each year. The Board of Directors and/or the Nomination and Remuneration Committee thereof have the power, at their discretion, to increase, decrease and decide the remuneration payable within the above stated limit.

RESOLVED FURTHER THAT in the event of a loss or inadequacy of the profit of the Company in any financial year during his tenure, the aforesaid remuneration shall be paid to Shri Dilip H. Bhuta as a minimum remuneration for the period of his appointment, subject to Schedule V and all other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any alterations /modifications, if any, thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors and/or the Nomination and Remuneration Committee be and are hereby authorized to do all such acts, deeds, things, as may be necessary and appropriate to give effect to this resolution”.

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

“RESOLVED THAT pursuant to the provision of Section 149, 150 and 152 and other applicable provision of Companies Act, 2013 read with the

Company (Appointment and qualification of Director) Rules, 2014, Schedule-IV of the Companies Act, 2013 (“the Act”) and the applicable provisions of the Clause-49 of the Listing Agreement (including any statutory alterations, modifications or re-enactments thereof for the time being in force), Ms. Anjali S. Dalvi (DIN-03293810) who was appointed as an additional director of the Company by the Board of Directors in the category of non-executive director, with effect from 24<sup>th</sup> July, 2015 and who holds office up to the date of the ensuing Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, proposing her candidature for the office of directors on the Board of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) consecutive years up to 23<sup>rd</sup> July, 2018.

RESOLVED FURTHER THAT Shri Ashish U. Bhuta, Chairman and Managing Director and Shri Ashish R. Shah, Company Secretary be and are hereby authorized to do all acts, deeds, things as may be necessary and appropriate to give effect to the forgoing resolution.”

7. 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 Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modifications or re-enactment thereof for the time being in force, the Cost Auditors’ remuneration as approved by the Board of Directors of the Company, of Rs. 1,10,000/- (Rs. One Lac Ten Thousand Only) to conduct the audit of cost records of the Company for the financial year 2015-16, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of

Directors be and is hereby authorized to do all such acts and take steps as may be necessary and proper to give effect to this resolution.”

By order of the Board of Directors

Ashish R. Shah  
 Company Secretary

Mumbai, 24<sup>th</sup> July, 2015

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
 A person can act as a proxy on behalf not exceeding fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
2. **The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.** Instructions and other information relating to remote e-voting are given below in this Notice.
3. Members / proxies should bring the filled-in attendance slip to attend the meeting. Duly completed proxy forms, in order to be effective, must be received at the registered office of the Company, **not less than 48 hours before the scheduled time of the meeting.**
4. Members / proxies are requested to bring their copies of Annual Report to the meeting.
5. Members who wish to seek any information on the financial accounts and operations are requested to write to the Company, so as to reach the registered office of the Company at least one week before the date of the Annual General Meeting so that the information required will be made available at the Annual General Meeting. All the information /clarification shall be provided only at the Annual General Meeting.
6. 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.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Bigshare Services Pvt. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
8. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company’s website.
9. The Register of Members and the Share Transfer books of the Company will remain closed from 2<sup>nd</sup> September, 2015 to 8<sup>th</sup> September, 2015 (both days inclusive).
10. The dividend on equity shares as recommended by the Board, if declared at the Annual General Meeting, will be paid by NECS



- /NEFT or dividend warrants will be despatched on or after 21<sup>st</sup> September, 2015.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send, in advance to the Company, a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
  12. Non Resident Indian (NRI) members are requested to inform the Registrars regarding (a) Change in their residential status and (b) Particulars of their bank accounts with complete details viz. name of the bank, branch address with pin code, account type, account number, MICR, NEFT details, etc.
  13. The Company will be transferring the unpaid or unclaimed amount of dividend pertaining to Financial Year 2007-08 to the Investors' Education and Protection Fund of the Central Government, during the year. Shareholders, who have not yet claimed their dividend for the Financial Year 2008-09 and thereafter, are requested to do so at the earliest.
  14. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company, electronically. Members who have not registered their bank details are requested to register the same at the earliest to receive the dividends through NECS (direct credit in to your bank account).
  15. Shareholders are requested to take part in the "Green Initiative" taken up by the Central Government of India and SEBI by providing their e-mail address, thus enabling the Company to send certain documents through the electronic mode to them.
  16. Brief profile of the Directors proposed to be appointed/re-appointed, with other relevant details as required under clause 49 of the Listing Agreement with the stock exchange, are appearing in the Corporate Governance Report under the Annual Report.
  17. Instructions for members for voting electronically are as under:-  
In case of members receiving e-mail:
    - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - (ii) Click on "Shareholders" tab.
    - (iii) Now, select the "JENBURKT PHARMACEUTICALS LTD." from the drop down menu and click on "SUBMIT".
    - (iv) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to</li> </ul>
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	use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. <ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for JENBURKT PHARMACEUTICALS LTD.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password

then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- The voting period begins on Saturday, 5<sup>th</sup> September, 2015 at 9:00 a.m. and ends on Monday, 7<sup>th</sup> September at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 1<sup>st</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

Ashish R. Shah  
 Company Secretary

Mumbai, 24<sup>th</sup> July, 2015

## Annexure to the Notice

### EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013, setting out all material facts relating to the Special Business:

#### For item number 5 of the Notice:

Shri Dilip H. Bhuta (DIN-03157252), aged 63 years, was first appointed as the director on the Board on 16<sup>th</sup> July, 2013, on the recommendation of the Remuneration Committee for the period commencing from 16<sup>th</sup> July, 2013 to 31<sup>st</sup> March, 2016. He was then appointed as the Whole Time Director of the Company, by the Members' consent at their 28<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2013. Later he was promoted as the Whole Time Director and Chief Financial Officer of the Company, by a partial amendment to his original appointment, by only changing his designation and keeping all other terms and conditions, unchanged, vide recommendation of the Nomination and Remuneration Committee and approval of Board at their respective meeting held on 30<sup>th</sup> May, 2014 and by the Members' consent at their 29<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> September, 2014.

His present terms expire on 31<sup>st</sup> March, 2016. His proposed appointment was recommended by Nomination and Remuneration Committee and approved by Board, at their respective meetings held on 24<sup>th</sup> July, 2015, for a period of three years, from 01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2019 and at the terms and conditions including his remuneration as

mentioned in the resolution, subject to the consent of the Members.

The Board accordingly recommends the resolution at item number 5 of the notice for the approval of the Members of the Company.

The Company has not made any default in repayment of any of its debt (including public deposits) or debentures in the past one year.

The Company held four meetings during financial year 2014-15 and Shri Dilip H. Bhuta attend all four Board Meetings.

This statement may also be regarded as a disclosure under clause-49 of the Listing Agreement with the Stock Exchange.

Shri Dilip H. Bhuta is not related to any of the Directors on the Board of the Company.

Except Shri Dilip H. Bhuta, none of the Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this resolution. His relative(s) may be deemed to be interested in this resolution to the extent of their shareholding in the Company.

Brief profile of Shri Dilip H. Butha:

**STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV) OF THE COMPANIES ACT, 2013:**

**I: General Information:**

**A. Nature of Industry:** The Company is the manufacturer of pharmaceutical formulations.

**B. Date of Commencement of Commercial Production:**  
The Company was incorporated on 10<sup>th</sup> June, 1985.

**C. Financial Performance based on given Indicators:**  
The financial data as per the last audited Balance Sheet as on 31<sup>st</sup> March, 2015 is as under:

(₹ in Lacs)

PARTICULARS	For the Year ended 31-3-2015
Income from Operation	8501.80
Other Operating Income	19.24
Total Income	8521.04
Net Profit Before Depreciation and Tax	1699.89
Depreciation	265.90
Net Profit Before Tax	1434.00
Provision for Income Tax	469.08
Net Profit after Tax	964.91

**D. Export Performance and Net Foreign Exchange Collaborations:**

For the Financial Year 2014-15: Rs.1505.82 lacs

For the Financial Year 2013-14: Rs.1215.38 lacs

The Company has not entered in to any foreign collaboration.

**E. Foreign Investments or Collaborators: N.A.**

**II: Information about the Appointee:**

**A. Brief Profile of Appointee:** Shri Dilip H. Bhuta, 63 years, joined the Board of the Company on 16<sup>th</sup> July, 2013 as the Whole Time Director. He was promoted as the Whole Time Director and Chief Financial Officer by Members consent at their Annual General Meeting held on 12<sup>th</sup> September, 2014. He is a Bachelor of Commerce degree holder, a certified Associate of Indian Institute of Bankers (CAIIB). He had joined Bank of Baroda on 09<sup>th</sup> June, 1970 and retired on 31<sup>st</sup> January, 2012. During his long tenure of 41 years and 8 months in the same Bank, viz. Bank of Baroda, he worked in various positions, viz. as a Clerk, an Officer, Branch Head, Deputy Regional Manager, Regional Manager (Kanpur Region, Baroda U.P. Grammin Bank, a subsidiary of

BOB), Inspection Head and became the Managing Director of BOB Cards Ltd. (subsidiary of Bank of Baroda, engaged in credit cards, debit cards, merchant acquiring business). He as an ex-banker looks after all aspects of finance at the Company.

He does not hold any other Directorship in any other Public Limited Company.

Shri Dilip H. Bhuta is also a Member of the Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company.

Shri Dilip H. Bhuta is an executive director and a Key Managerial Personnel of the Company and not related to any of the Directors on the Board of the Company. He holds 100 equity shares of the Company, in his individual capacity, as on 31<sup>st</sup> March 2015.

**B. Past Income:** Rs. 21.08 lacs, for the Financial Year 2014-15.

**C. Recognition and Award received in past:** Shri Dilip H. Bhuta having worked in Bank of Baroda, from the post of a Clerk, with his brilliance and efforts, reached the post of the head of Rural Banking operations of Bank of Baroda and the Managing Director of BOB Cards Ltd., a subsidiary of Bank of Baroda.

**D. Job Profile and Suitability:** Shri Dilip H. Bhuta is Whole Time Director and Chief Financial Officer. He is a member of Audit Committee, Risk Management Committee and Corporate Social Responsibility Committee. He looks after day to day financial operations of the Company. His experience in finance, banking, networking and overall administrative abilities help the Company in co-ordinating with bankers, internal as well as statutory auditors. He assist the Company in introducing new methods in monitoring and managing the Company's cash flow and forex management, preparing MIS for the Board of Directors, formulating new long term business plans, research on factors influencing the present / future business performances and minimizing financial risk. He also assist the Company in preparation of financial accounts, implementing and monitoring accurate reporting system, supervising staff, keeping abreast of financial regulations and legislations, arranging new and cheap sources for the Company's debt finance, preparation and managing budget, cost reduction plans, etc.

**E. Comparative Remuneration in the Industry:** Remuneration as proposed to Shri Dilip H. Bhuta as



provided herein above is lesser/most competitive in quantum. However, considering the nature / size of the industry and the speciality of services rendered by Shri Dilip H. Bhuta and also considering his complex role, no comparative remuneration in the industry is available for information.

- F. Remuneration proposed:** The proposed remuneration of Shri Dilip H. Bhuta consists of salary, perquisites and allowances up to Rs.4.00 lacs per month payable during the period of appointment i.e. from 01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2019. Other benefits, perquisites and allowances will be as per the remuneration policy of the Company. His increment will be effective from the 1<sup>st</sup> of April every year. The salary, perquisites and allowances will be decided by the Board and/or the Remuneration Committee, within the above stated limit.
- G. Material Pecuniary Relationship:** Shri Dilip H. Bhuta is not related to any of the Directors on the Board of the Company and does not have any direct or indirect pecuniary relationship with any of them.

### III: Other information:

- A. Reason for inadequate profit and measures taken for improvement:** The Company was incorporated in year 1985 and falls under SME Sector. There is steady growth in performance of the Company, however, the Company is yet to reach to its optimum manufacturing capacity. In addition to that the ever increasing cost of material, manufacturing, marketing and administrative expenditures, plant and product registration at various countries, R&D activities, weakening European currency and stiff competition in domestic as well as the foreign market have also put pressure on the sales and profit margin of the Company. The Company is taking every possible steps to increase the business volume and thereby profitability. Few products of the Company are under DPCO, which has ceiling on the selling price.
- B. Steps taken or proposed to be taken for improvement:** The Company has its WHO GMP approved plant, which is also approved under Schedule-M. The Company is focusing on product development through its own R&D unit and on exports vide its International Business Division and expects to register sizable bottom line growth in years to come. Company has launched novel concepts of fixed dose

combinations, which in many countries is introduced for the first time by the Company.

### C. Expected increase in profits in measurable terms:

Considering the nature of business of the Company it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However Company expects fair growth in total income and profitability in next 3 years.

### IV: Disclosures:

- A. A draft resolution and detailed explanatory statement about the appointment and remuneration package of Shri Dilip H. Bhuta is presented under the Notice convening the ensuing Annual General Meeting.
- B. The details regarding the remuneration package, etc. of all the other Directors, are produced in the Corporate Governance Report, annexed to the Directors' Report.

### For item number 6 of the Notice:

The provisions of Section 149 (1) of the Companies Act, 2013 and rules made thereunder and Clause-49 of the Listing Agreement, stipulate that the Company shall name at least one woman director on the Board.

A woman director viz. Devangi S. Shah (DIN07011975) was appointed as a Director of the Company by the Board of Directors at their meeting held on 11<sup>th</sup> November, 2014, on the recommendation of Nomination and Remuneration Committee. She resigned, during the year, with effect from closing of business hours of 4<sup>th</sup> May, 2015. Subsequently, the Board of Directors of the Company appointed another woman director viz. Ms. Anjali S. Dalvi (DIN03293810), on the recommendation of Nomination and Remuneration Committee at their respective meetings held on 24<sup>th</sup> July, 2015 as an additional (woman) director, in the category of non-executive / independent director for a term of three years, up to 23<sup>rd</sup> July, 2018.

The Board proposes the appointment of Ms. Anjali S. Dalvi as an Independent Director of the Company, in terms of section 149(1), 150 and 152 of the Companies Act, 2013 and rules made thereunder and clause-49 of the Listing Agreement of the Stock Exchange, for a period of three years effective from 24<sup>th</sup> July, 2015, who shall not be liable to retire by rotation. A resolution in this regard at item no. 6 of the Notice has been put up for the approval of the shareholders.

The detailed profile of Ms. Anjali S. Dalvi along with her directorship, Committee positions in other Companies, if any, are disclosed separately in the report on Corporate Governance forming part of this Annual Report.

The Company has received a notice in writing from a member of the Company with requisite deposit amount as required u/s 160 of the Companies Act, 2013, proposing the candidature of Ms. Anjali S. Dalvi for the director of the Company.

The Company is in receipt of declarations from her that she meets with the criteria of independence as prescribed under Section 149 (7) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. In the opinion of the Board, Ms. Anjali S. Dalvi fulfils the conditions specified in Sections 149, 150 and 152 and Schedule IV of the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company and that she is independent of the management and possesses appropriate skills, experience and knowledge.

She is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 and she has given consent to act as a Director of the company.

Copy of the letter of her appointment as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company, during 11:00 a.m to 1:00 pm, till the date of Annual General Meeting. The terms and conditions of appointment of Independent Director are also posted on the Company's website.

She does not hold any share of the Company.

Ms. Anjali S. Dalvi is interested in the said resolution of her appointment as set out at item number 6 of the Notice. Her relatives may be deemed to be interested in the resolution set out at item number 6 of the Notice, to the extent of their shareholdings, if any, in the Company.

None of the other Directors or KMP of the Company is

related to her nor they or their relatives are concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

The Board recommends the Ordinary Resolutions, as set out at item numbers 6 of the Notice, for the approval of the Members.

**For item number 7 of the Notice:**

In terms of the Section 148 (3) of the Companies Act, 2013, read with Company (Audit and Auditors) Rules 2014 the Cost Accountant is to be appointed by the Board and the approval of their remuneration need to be ratified by the members of the Company.

The Audit Committee recommended and the Board of Directors approved at their respective meetings held on 21<sup>st</sup> May, 2015, the appointment and payment of remuneration of M/s. Jagdish R. Bhavsar, cost accountants, in practice, as the cost auditor of the Company to carry out the audit of cost records relating to the drug formulations of the Company for the Financial Year 2015-16.

Accordingly consent of members is sought for passing resolution as set out the item no.7 of the Notice for ratifying the amount of remuneration mentioned therein, payable to the Cost Auditors for the Financial Year 2015-16.

None of the Directors or KMP of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution at item numbers 7 of the Notice.

The Board recommends the Ordinary Resolution as set out at item number 7 of the Notice, for the approval of the Members.

By Order of the Board of Directors

Ashish R. Shah  
 Company Secretary

Mumbai, 24<sup>th</sup> July, 2015