



42nd Annual Report 2014 - 2015

MANGALAM DRUGS & ORGANICS LIMITED
(AN ISO 9001 & WHO - GMP COMPANY)

MANGALAM DRUGS & ORGANICS LIMITED

FINANCIAL HIGHLIGHTS (Figure in Lacs)

(Rs. in Lacs)

[illegible]



BOARD OF DIRECTORS

GOVARDHAN M. DHOOT - CHAIRMAN

SUBHASH C. KHATTAR - INDEPENDENT DIRECTOR

RAJENDRAPRASAD MIMANI - INDEPENDENT DIRECTOR (Resigned w.e.f. 02.02.2015)

MEENAL SUKHANI - DIRECTOR (Appointed w.e.f. 21.10.2014)

BRIJMOHAN M. DHOOT - INDEPENDENT DIRECTOR (Appointed w.e.f. 02.05.2015)

REGISTERED OFFICE

RUPAM BUILDING, 3RD FLOOR,
239 P.D'MELLO ROAD,
NEAR GPO, MUMBAI - 400 001
TEL. No. 91-22-22616200 / 6300/8787
FAX No. 91-22-2619090
Email : contactus@mangalamdrugs.com
Website : <http://www.mangalamdrugs.com>

WORKS

VAPI - UNIT 1

PLOT NO. 187, GIDC
VAPI, DIST. BULSAR
GUJARAT - 396 195

VAPI - UNIT 2

PLOT NO. 1203, GIDC,
VAPI, DIST. BULSAR,
GUJARAT - 396 195

AUDITORS

M/S. MILWANI ASSOCIATES
CHARTERED ACCOUNTANTS
BAGARIA HOUSE, 1ST FLOOR,
KOLBHAT LANE, MUMBAI - 400 002

BANKERS

STATE BANK OF INDIA

IDBI BANK LTD

PUNJAB AND MAHARASHTRA CO-OP. BANK LTD.

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NOTICE

NOTICE is hereby given that the Forty-Second Annual General Meeting of the Members of **Mangalam Drugs & Organics Limited** will be held at the M.C. GHIA HALL, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Bldg., 4th Flr., 18/20 K.Dubash Marg, Kala Ghoda, Mumbai – 400 001, on 03 September, 2015 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Statement of Profit and Loss Account for the year ended as on that date and the Reports of the Board of Directors' and the Auditors' of the Company thereon.
2. To appoint a Director in place of Mr. Govardhan Murlidhar Dhoot (DIN: 01240086) who retires from office by rotation and being eligible, offers himself for re-appointment.
3. 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, pursuant to recommendations of the audit committee of Board of Directors and pursuant to the resolutions passed by the members at the AGM held on 29th September, 2014, the appointment of M/s. Milwani Associates, Chartered Accountants, Mumbai, (Firm Registration No. 106405W) as the Statutory Auditors of the Company, to hold office till the conclusion of the Annual General Meeting to be held for the financial year 2016-2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix such remuneration (including fees for certification) and reimbursement of out of pocket expenses for the purpose of audit for the financial year ending 31st March, 2016 as may be approved by the Audit Committee / Board of Directors of the Company."

SPECIAL BUSINESS:

4. 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 any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, the Company hereby ratifies remuneration of Rs. 100,000/- (Rupees One Lac only) plus service tax, as applicable and reimbursement of out-of-pocket expenses payable to M/s. Ankit Kishor Chande, who were appointed by the Board of Directors as Cost Auditors of the Company for the financial year 2015-16, to conduct Cost Audit relating to "Bulk Drugs" businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. 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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mrs.Meenal Sukhani (DIN: 06840007), who was appointed as an Additional Director – Non-executive of the Company by the Board of Directors with effect from 21st October, 2014 and subsequently she was appointed as an Independent director on 2nd May, 2015, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) 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 and who is eligible for appointment, be and is hereby appointed as an Independent Director to hold the office for a period of 5 years from 02 May 2015 till 01 May 2020."

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

"RESOLVED THAT Mr. Brijmohan M. Dhoot (DIN: 01046420) who was appointed by the Board of Directors as Additional Director of the Company, with effect from May 02, 2015 and who holds office upto the date of the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a Notice, in writing, from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any required, the Company hereby approves the re-appointment of Mr. Govardhan M Dhoot (DIN 01240086) at a remuneration as Chairman & Managing Director of the Company for a term of five years starting from 01 November 2014 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."



“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

8. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Section 13 sub-section (1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each, by creation of additional 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each ranking pari passu in all respect with the existing Equity Shares.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder the consent of the Members be and is hereby accorded for consequential substitution of Capital Clause V of the Memorandum of Association and Capital Clause 5 (a) of the Articles of Association of the Company to reflect the increased authorized capital: -

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Companies Act”) (including any statutory modification(s) or reenactment thereof for the time being in force), and any other applicable provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd., where the Company's Equity Shares are listed, Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (“SEBI”) (Issue of Capital & Disclosure Requirements) Regulations, 2009 and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as may be modified or re-enacted from time to time (hereinafter referred as “SEBI Regulations”) the applicable Rules, Notifications, Regulations issued by the Government of India, SEBI and subject to the approvals, consents, permissions and/or sanctions of the stock exchanges where the shares of the Company are listed (“Stock Exchanges”), SEBI, the Registrar of Companies (the “RoC”) or all concerned statutory and other authorities as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions, the Board of Directors of the Company (hereinafter referred to as “the Board”), which term shall be deemed to include any Committee of the Directors for the time being, exercising the power conferred to the Board, be and is hereby authorized on behalf of the Company to create, offer, issue and allot in one or more tranches upto 26,50,000 Warrants of Rs. 65/- each with an option to convert each warrant into one Equity Share of the nominal value of Rs. 10/- each at a issue price of Rs. 65/- (including premium of Rs. 55/-) determined in accordance with SEBI ICDR Regulations; on terms and conditions mentioned hereinafter in this resolution to Shri JB Pharma LLP (“Entity under Promoter Group”), with an option to the proposed allottee to convert the same into Equity Shares of the Company in one or more tranches, not later than 18 months from the date of their allotment in accordance with the SEBI Regulations or other provisions of the law as may be prevailing at the time of allotment of Equity Shares / exercise of warrants:

“RESOLVED FURTHER THAT the Warrants shall be issued by the Company on Preferential basis on the following terms and conditions:

- i. The Warrants shall be convertible (at the option of warrant holders) at any time within a period of 18 (Eighteen) months from the date of allotment of Warrants.
- ii. Each warrant shall be convertible into one Equity Share of nominal value of Rs. 10/- (Rupees Ten only) each at a issue price of Rs. 65/- (including premium of Rs. 55/-) determined in accordance with SEBI ICDR Regulations.
- iii. The warrant holders are, on the date of allotment of Warrants, required to pay an amount equivalent to at least 25% (Twenty Five percent) of the total consideration per warrant.
- iv. The conversion of Warrants into Equity Shares shall be made in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of Warrants, as per the option exercised by the Warrant holders.
- v. The amount referred in point (iii) above shall be forfeited, if the option to take Equity Shares against any of the warrants held by the warrant holder is not exercised within a period of 18 (Eighteen) months from the date of allotment of Warrants.
- vi. The lock in period of Warrants and Equity Shares acquired by exercise of Warrants shall be in accordance with the SEBI Regulations.
- vii. Warrants by itself do not give to the proposed allottee any rights of the Equity Shareholders of the Company unless converted into Equity Shares of the Company.
- viii. The resultant Equity Shares will be subject to Memorandum and Articles of Association of the Company in all respects.

“RESOLVED FURTHER THAT the Relevant Date for the purpose of calculating the minimum price for the warrants under Chapter VII of relevant SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 will be 04 August , 2015 being the date 30 days prior to the date of passing of this Resolution to approve the proposed preferential issue in terms of Section 62(1)(c) of the Act”.

“RESOLVED FURTHER THAT the Equity Shares, if allotted on the conversion of warrants, shall rank paripassu in all respects with the existing Equity Shares of the Company with a right to receive dividend and other distributions to be declared thereafter during the year.”



“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors / Committee thereof be and is hereby authorised, on behalf of the Company, to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid warrants and Equity Shares if allotted upon exercise of rights(s) attached to such warrants and to list such Equity Shares with the Stock Exchange(s), as may be appropriate, and to resolve and settle all question(s) or difficult(ies) or doubt(s) that may arise in connection with the proposed offer, issue and allotment of any of the said warrants and / or the Equity Shares if allotted upon exercise of option(s) attached to such warrants and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate any or all the powers conferred upon it by this Resolution, to any Committee formed thereof, or to any individual so authorized by the Board.”

By order of the Board of Directors
Govardhan M. Dhoot
Chairman

Registered Office:

3rd Floor, Rupam Building,
239, P. D'Mello Road Mumbai – 400001
CIN: L24230MH1972PLC116413

Place: Mumbai

Dated: 06 August, 2015

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution / authority, as applicable.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item nos. 4 to 9 of the Notice set out above, is hereto annexed.
3. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 27 August 2015 to 03 September 2015 (both days inclusive) for the purpose of Annual General Meeting.
5. The Annual Report of the Company for the year 2014-2015 is also uploaded on the Company's website www.mangalamdrugs.com in the “Investor Relations” Section.
6. As a measure of economy, copies of the Annual Report shall not be distributed at the meeting and therefore the Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
8. The Company has appointed **M/s. Link Intime India Private Limited , C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078**, as Share Transfer Agents and the members are requested to send/address all their shares related matters/ correspondence directly to them.
9. **Change of Address /Bank details:** Members are requested to inform **M/s. Link Intime India Private Limited**, immediately of any change in their address / bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their Email Id, signature, address, bank details and mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agents of the Company viz. M/s. Link Intime India Private Limited.
10. As per Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Share Transfer Agents of the Company viz. Link Intime India Private Limited.



11. Members/Proxies should bring the admission slip duly filled in for attending the meeting.
12. The Company has transferred unclaimed application money due for refund of public issue made in the year 2005 and unclaimed dividend for the financial year 2005-06 declared on 30th September 2006 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.
13. Electronic (soft) copy of the Notice of the 42nd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-Voting and Assent Decent Form along with the Attendance Slip & Proxy Form and the Annual Report for 2014-2015 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of these documents are being sent in the permitted mode.
14. Details of the Directors seeking appointment / re-appointment at the 42nd Annual General Meeting required by Clause 49 II of the Listing Agreement with the Stock exchanges is given below

1.	Name	MR. GOVARDHAN DHOOT (DIN: 01240086)	Mrs. MEENAL SUKHANI (DIN: 06840007)	MR. BRIJMOHAN DHOOT (DIN: 01046420)
2.	Date of Birth	21 st October 1953	20 th August 1973	10 th July 1951
3.	Educational Qualification	Commerce Background	Arts graduate	Commerce Background
4.	Date of Appointment on the Board	16 th April 1996	21 st October, 2014	2 nd May, 2015
5.	Category of Director	Chairman & Managing Director	Independent Director	Non-Executive Non Independent Director
6.	Experience	He has been the Whole-time Director of the Company effective 1 st November 2004. He has over three decades of experience in the Chemical Industry, handling marketing in both domestic and export market. He has traveled to many countries and visited important Industrial and Commercial Capitals all over the world.	She has been teacher for more than 15 years and has worked for leading educational institution like Dhirubai Ambani International School. She is an entrepreneur and is the managing partner of Sonal Textile Agency, C&F Agent for Linen Club, Jaishree Textile, Indian Rayon for Mumbai & Pune.	He has more than 40 years experience in chemical and pharma industry.
7.	List of other Directorships held	1. Mangalam Laboratories Private Limited 2. Beanstalk Retail Private Limited	NIL	1. Mangalam Laboratories Private Limited 2. Raga Organics Private Limited 3. Elarci (Estates & Constructional) Development Services Private Limited
8.	Name of Committees in which Chairman	NIL	NIL	NIL
9.	Name of Committees in which Member	Audit Committee and Stake holders Relationship Committee of – Mangalam Drugs & Organics Limited	Audit Committee and Nomination and Remuneration Committee Committee of – Mangalam Drugs & Organics Limited	Nomination and Remuneration Committee of – Mangalam Drugs & Organics Limited
10.	Number of shares held in the Company.	667,122 equity shares.	Nil	5,64,469 equity shares
11.	Disclosure of Relationship	Mr. Govardhan Dhoot Is related to Mr. Brijmohan Dhoot of the Company	Mrs. Meenal Sukhani is not related to any Director of the Company	Mr. Brijmohan Dhoot is related to Mr. Govardhan Dhoot of the Company

BY ORDER OF THE BOARD OF DIRECTORS

Govardhan M. Dhoot
Chairman

Registered office:

3rd Floor, Rupam Building,
239, P. D'Mello Road Mumbai – 400001
CIN: L24230MH1972PLC116413

Place: Mumbai

Dated: 06 August, 2015

**ANNEXURE TO NOTICE****Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013.****Item No. 4**

The Audit Committee and the Board has approved the appointment of M/s. Ankit Kishor Chande., Cost Accountants as Cost Auditors for audit of the cost accounts for the financial year 2015-16 at a remuneration of Rs.100,000/- (Rupees One Lacs only) plus service tax and out of pocket expenses reimbursement. In accordance with the provisions of Section 148 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2015-16. The Board recommends the Resolution for approval of the Shareholders as per item no. 4.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

Item 5

Ms. Meenal Sukhani was appointed as an Additional Director Non Executive by the Board of directors on 21 October 2014. Thereafter on 02 May 2015 Ms. Meenal Sukhani was appointed by the Board of Directors as Independent Director to hold the office for a period of 5 years from 02 May 2015 till 01 May 2020, subject to the approval of Shareholders. As per the Companies Act 2013, Independent Directors are not liable to retire by rotation. Ms. Sukhani, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, satisfies all the criteria prescribed by the Companies Act 2013 as also by the Listing Agreement for being considered as Independent Director. Company has received a Notice, in writing, from a Member under Section 160 of the Act, proposing her candidature for the office.

In the opinion of the Board, Ms. Sukhani is a person of integrity and possesses relevant expertise and experience and fulfils the conditions for appointment as an Independent Director as specified in the Companies Act 2013 Act and the Listing Agreement.

If appointed, Ms. Meenal Sukhani will act as a non-executive Independent director, not liable to retire by rotation.

Keeping in view the experience and expertise, her appointment as Independent Director of the Company is recommended.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except Mrs. Meenal Sukhani is concerned or interested, financial or otherwise, in the resolution set out at item no. 5.

Item No. 6

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Brijmohan Dhoot (DIN: 0104642) as Additional Director-Non-Executive of the Company, with effect from 02 May, 2015. Mr. Brijmohan Dhoot holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.

Pursuant to provisions of Section 161 of Companies Act, 2013, Mr. Brijmohan Dhoot will hold office upto the date of the ensuing AGM. The Company has received notice in writing under provisions of section 160 of the Companies Act, 2013 from a member along with deposit of Rs. 1,00,000/- proposing the candidature of Mr. Brijmohan Dhoot for the office of non executive non independent director to be appointed as such under provisions of section 149 of the Companies Act, 2013.

Pursuant to Section 160 of the Act, the Company has received a Notice, in writing, from a Member along with a deposit of Rs. 1,00,000/-, proposing the candidature of Mr. Brijmohan Dhoot, as a Director of the Company.

The Board is of the opinion that the vast knowledge and varied experience of Mr. Brijmohan Dhoot will be of great value to the Company and hence, recommends his appointment as a Director of the Company. The Board also informs that Mr. Brijmohan Dhoot and Mr. Govardhan Dhoot are brothers.

The appointment of Mr. Brijmohan Dhoot, as a Director liable to retire by rotation, is now being placed before the Members, for their approval.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except, Mr. Brijmohan Dhoot and Mr. Govardhan M Dhoot, Chairman is concerned or interested, financial or otherwise, in the resolution set out at item no. 6.

Item No. 7

At the meeting of the Board of Directors (Board) of the Company held on 31 October, 2014, the Board had duly approved by a resolution passed at its meeting, re-appointment of Shri Govardhan M. Dhoot as Managing Director of the Company for a period of five years subject to the approval of the Company in General Meeting.

1. **Terms of Appointment:** From 1st November 2014 to 31st October, 2019

2. **Remuneration:**

a) **Salary:** Rs.60,000/- per month.

3. **Perquisites / Allowance:**

In addition to salary, Mr. Govardhan Dhoot will be entitled to the following;

(a) **Housing:** The Company shall defray the maintenance expenditure of the residence of the Whole – time Director.

(b) **Medical Expenses:** Reimbursement of expenses incurred for the Whole - time Director and his family subject to a ceiling of Rs. 10,000/- p.a. or actual whichever is Lower.



- (c) **Leave travel Concession:** Company shall provide to and fro airfare to the Whole-time Director and his family for 3,000 KM in India.
- (d) **Annual Privilege Leave:** On full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites..
- (e) **Car:** A chauffeur driven car for use of Company's business will be provided.
- (f) **Telephone:** A telephone at the residence will also be provided at Company's expenses. The Company will bill personal long distance calls from the house telephone.
- (g) **Personal Accident Insurance:** Premium not to exceed Rs. 8,000/- p.a. payable by the Company on behalf of the Whole Time Director. The Managing Director shall also be entitled to following perquisites, which shall not be included in the computation of the ceiling on remuneration specified herein:
 - (i) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity payable at rate not exceeding half a month's salary for each completed year of service.
 - (iii) Encashment of leave at the end of the tenure.
- 4. The other terms and conditions of the agreement are such as are customarily contained in agreements of similar nature.
- 5. Mr. Govardhan M. Dhoot shall be subject to retirement by rotation under Articles of Association of the company and on re-appointment as a Director immediately on retirement by rotation, shall continue to hold his office as Managing Director and such re-appointment as such director shall not be deemed to constitute a break in his appointment as Managing Director.
- 6. Notwithstanding anything contained hereinabove where in any financial year, during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the company shall pay the Managing Director minimum remuneration by way of salary, perquisite, dearness allowance and any other allowance subject to ceiling laid down in Schedule V to the Companies Act, 2013.
- 7. The aforesaid agreement to be entered into by the Company with the Managing Director can be terminated by the company or by Mr. Govardhan M. Dhoot, by giving to the other three months' notice in writing.

The said agreement to be entered including the remuneration payable to the Managing Director of the company shall be subject to the approval of the company and all such sanctions as may be necessary and shall be given effect to as per the modifications, if any, made / approved as aforesaid.

The above may also be treated as an abstract of the said agreement to be entered.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except, Mr. Govardhan M Dhoot and Mr. Brijmohan Dhoot, being his brother is concerned or interested, financially or otherwise, in the resolution set out at item no. 7.

Item Nos. 8

The present authorized share capital of the company is Rs. 20 Crores. It was decided that, subject to approval of the members, the Company's Authorised Share Capital may be increased from Rs. 20 crore to Rs. 30 crore.

It is, therefore proposed to alter existing Clause V of the Memorandum of Association and Clause 5(a) of Articles of Association of the Company, pursuant to Sections 13 and 14 of the Companies Act, 2013 read with Section 61(1) of the Companies Act, 2013, to give effect to the said alteration.

The Board recommends the resolutions for approval of the shareholders.

None of the directors and key managerial personnel and their relatives is concerned or interested in the above referred resolution.

Item No. 9:

The resolution is recommended to the shareholders of the Company for their approval pursuant to the provisions of Section 62(1)(c) and other applicable provisions of Companies Act, 2013 and in accordance with Chapter VII of SEBI ICDR Regulations relating to preferential issue as amended up to date. Company plans to make Preferential Issue of up to 26,50,000 (Twenty Six Lakh Fifty Thousand) Warrants of the Company, convertible at the sole option of the warrant holders thereof at any time, in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of Warrants, into resultant fully paid-up Equity Shares of the Company of nominal value of Rs. 10/- at issue price of 65/- (including premium of Rs. 55/-) determined in accordance with SEBI ICDR Regulations.

To part finance the capital expenditures of the Company, to strengthen the financial position of the Company, for general corporate purposes including repayment of loans and to improve the working capital and Net Worth of the Company, it is proposed to issue upto 26,50,000 (Twenty Six Lakh Fifty Thousand) Warrants to the proposed allottee namely Shri JB Pharma LLP, with an option to convert into Equity Shares, in one or more tranches, not later than 18 months from the date of their allotment in accordance with the SEBI ICDR Regulations or other provisions of the law as may be prevailing at the time of allotment of Equity Shares/ exercise of warrants. The proposed allottee have agreed to subscribe for the same.



The disclosures pursuant to Regulation 73(1) of the SEBI (ICDR) Regulations, 2009 is given hereunder:

Objects of the Preferential Issue

To part finance the capital expenditures of the Company, to strengthen the financial position of the Company, for general corporate purposes including repayment of loans and to improve the working capital and Net Worth of the Company.

Proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer.

The proposed allottee is the constituents of the Promoter/ Promoter Group/Directors. No other Director or Key Management Personnel of the Company intends to subscribe to the Warrants.

The identity of the (Natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control) proposed allottee and the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

Name(s) of the proposed Allottee(s)	Category	Natural person who ultimately controls the proposed allottee	Maximum no. of equity shares*	Value (in Rs.)	Pre-issue Shareholding		Post Issue Shareholding	
					No. of Shares	%	*No of Shares	%
Sri JB Pharma LLP	Promoter Group	1. Mr. Ramniwas R. Dhoot 2. Mr. Govardhan M. Dhoot 3. Mr. Ajay R. Dhoot 4. Mr. Aditya R. Dhoot	26,50,000	17,22,50,000	Nil	Nil	26,50,000	16.74%

The total number of securities to be issued:

The Board intends to offer, issue and allot up to 26,50,000 (Twenty Six Lakhs Fifty Thousand) share warrants shall be convertible into one equity share of nominal value of Rs. 10/- at issue price of 65/- (including premium of Rs. 55/-) of the Company, in accordance with Regulation 76(1) of the ICDR Regulations and applicable law.

Consequential changes, if any, in the Management Control of the Company

The proposed preferential allotment shall not result in any change in Management Control of the Company even on exercising the entire conversion of warrants.

Relevant date:

In the present case, the relevant date is 04 August 2015 being the date 30 days prior to the date of passing of this Resolution.

Pricing of the Preferential Issue

The warrants / Equity Shares to be issued on conversion of the warrants shall be issued at a nominal price of Rs. 10/- at issue price of 65/- (including premium of Rs. 55/-) not less than the price determined in accordance with Regulation 76 of the SEBI (ICDR) Regulations.

Lock - in period

The pre-preferential shareholding of the proposed allottee and the Warrants allotted to them as well as Equity Shares allotted to them on conversion of the warrants shall be locked in for such period as provided in the SEBI (ICDR) Regulations.

Proposed time limit within which the allotment shall be completed

The allotment of such preferential issue of Warrants shall be completed within a period of 15 days either from the date of passing of the Special Resolution or from the date of receipt of the approvals from the Stock Exchanges or SEBI, wherever necessary.

Auditors Certificate

The Statutory Auditors of the Company shall certify that the Preferential Issue is being made as per SEBI Regulations. A copy of the certificate obtained from M/s. Milwani Associates, Chartered Accountants, Mumbai, (Firm Registration No. 106405W), certifying that the issue of Warrants is being made in accordance with the requirement of SEBI Regulations for preferential issue of the Company shall be placed at the registered office of the Company. Auditors certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are open for inspection at the registered office of the Company on any working day except Public holidays and Sundays between 2:00 pm to 4:00 pm for inspection on any working day after relevant date upto the date of the Annual General Meeting.