

PARENTERAL DRUGS (INDIA) LIMITED



35th
**ANNUAL
REPORT**
2018-19





35th ANNUAL REPORT 2018-19

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Company Information

Board of Directors

Executive Directors

Shri Vinod Kumar Gupta
Managing Director and Chief Financial Officer

Shri Govind Das Garg
Whole-Time Director

Registered Office

340, Laxmi Plaza, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai-400 053 (Maharashtra)
e-mail: pdpl@pdindia.com
website: www.pdindia.com

Non-Executive Directors

Shri Manohar Lal Gupta
Chairman

Shri Anil Mittal
Director

Shri Dharam Pal Khanna
Independent Director

Shri Dilip Kumar Sinha
Independent Director

Smt. Deepali Garhewal
Independent Director

Shri Manish Verma
Independent Director

Corporate Office & Investors Grievances Centre

Shree Ganesh Chambers,
Navlakha Crossing, A. B. Road,
Indore-452 001 (Madhya Pradesh)
e-mail: investor@pdindia.com

Auditors

M/s. Singhal Jain & Co.
Chartered Accountants,
A-18, Indrapuri Colony, Lal Kothi,
Tonk Road, Jaipur-302006 (Rajasthan)

Bankers

State Bank of India
Punjab National Bank

Company Secretary & Compliance Officer

Ms. Suruchi Maheshwari

Manufacturing Locations

Madhya Pradesh
Village: Panwa,
Tehsil: Kasrawad,
Dist.: Khargone-451 228
(M.P.) India

Himachal Pradesh
Village: Bhud,
Tehsil: Nalagarh,
Dist.: Solan-173 205
(H.P.) India

Registrar and Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai-400 083
Tel. No.: 022 - 49186270
Fax No.: 022 - 49186060
e-mail: rint.helpdesk@linkintime.co.in

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of the members of Parenteral Drugs (India) Limited will be held on Saturday, the 31st day of August, 2019, at 9:30 A.M. at the Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri (West), Mumbai-400053 to transact the following business:-

ORDINARY BUSINESS

1. a. To adopt the Standalone Financial Statements and report of the Board of Directors and Auditors thereon of the Company as on 31st March, 2019.
b. To adopt the Consolidated Financial Statements and Auditors Report thereon of the Company as on 31st March, 2019.
2. To re-appoint Shri Vinod Kumar Gupta (DIN:00039145), Managing Director of the Company, who is liable to retire by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

ITEM NO.3

RE-APPOINTMENT OF SHRI DHARAM PAL KHANNA (DIN:00041106) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provision of section 149,152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013, Regulation 17 and 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Dharam Pal Khanna (DIN: 00041106), be and is hereby reappointed as Non Executive Independent Director of the Company, not liable to retire by rotation, for second term of 5 (five) consecutive years commencing from 01st September, 2019;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution;

RESOLVED FURTHER THAT this resolution shall have overriding effect and shall substitute any other earlier resolution passed in entirety with effect from 01st September, 2019 to 31st August, 2024."

ITEM NO.4

RE-APPOINTMENT OF SHRI DILIP KUMAR SINHA (DIN: 00366192) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provision of section 149,152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Dilip Kumar Sinha (DIN: 00366192), be and is hereby reappointed as Non Executive Independent Director of the Company, not liable to retire by rotation for second term of 5 (five) consecutive years commencing from 01st October, 2019;

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

ITEM NO.5

AUTHORITY TO ENTER INTO CONTRACTS/ARRANGEMENTS WITH RELATED PARTY

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into loan license arrangements and any other contracts/arrangements for production, sale, purchase or supply of any goods or materials, finished goods, job work and availing or rendering of any services to/from M/s. Infutec Healthcare Limited, a related party, for an amount not exceeding Rs. 360,000,000/- (Rupees Thirty Six Crores only) for the period commencing from 1st October, 2019 till 31st March, 2020;

RESOLVED FURTHER THAT for the period commencing from 01st April, 2020 till 30th September, 2020, the Board of Directors of the Company shall be empowered to enter into related party transaction(s) with M/s. Infutec Healthcare Limited to an amount not exceeding Rs. 360,000,000/- (Rupees Thirty Six Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds or things as they may in their discretion deem fit, required or considered necessary or incidental thereto, for giving effect to this resolution."

ITEM NO.6
TO SALE, TRANSFER OR DISPOSE OF WHOLE OR SUBSTANTIALLY WHOLE OF THE ASSETS OF THE COMPANY

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

“RESOLVED THAT pursuant to the provision of sections 180 (1) (a) read with the provisions of section 188 and other applicable provisions, if any, of Companies Act, 2013, the Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications, re-enactments or amendments thereto for the time being in force and also the Articles of Association of the Company, and further subject to other approvals, consents, permissions, terms and conditions and sanctions, if any, as may be required from the concerned Government, statutory/regulatory authorities, and the Secured Lenders, approval of the members of the Company be and is hereby accorded to the Board of Directors to sale, lease, transfer or otherwise dispose of the whole or substantially the whole of the undertakings of the Company, as slump sale on a going concern basis and /or individually, or on as is where is whatsoever there is basis, as the case may be, together with all movable and immovable properties, whether tangible or intangible and whether forming part of the undertaking or not and all other assets of the Company, wherever situated, of every nature and description whatsoever, to such person or persons, whether related with the directors of the Company or otherwise, for such consideration as the Board of directors of the Company may decide in consultation with the secured lenders of the Company whose dues are outstanding for long and have classified the debts of the Company as “Non-performing” in the overall interest of the Company, its workers and other creditors of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary to give complete effect to the transaction(s) envisaged in this resolution including but not limited to negotiation and finalizing the terms and conditions, determination of the consideration, execution of documents, contracts, schemes, agreements, deeds of conveyance and registration thereof and make and file applications and representations to seek approval from relevant authorities, secured lenders including governmental authorities for securing their permissions, wherever necessary and to deal with any incidental or ancillary matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to the transactions and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Place: Indore

Date: 5th August, 2019

BY ORDER OF THE BOARD

Manohar Lal Gupta

Chairman

DIN: 00040784

NOTES

- Statement pursuant to section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the "Meeting") IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than ten (10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.

The instrument of proxy, in order to be effective, be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxy Form submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.

- Members holding shares in physical form are requested to forward all applications for transfer and all other shares related correspondence (including intimation for change of address) to the Share Transfer Agent of the Company at the following address:

Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083

The members are requested to:

- Intimate to the Registrar/ Company, changes, if any, in their registered address at an early date along with the PIN code.
 - Quote registered folio/client ID and DP ID in all their correspondence(s).
- Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address, bank mandate etc., directly to their respective depository participants.
 - The Register of Members and the Share Transfer Books of the Company will remain closed from 26th August, 2019 to 31st August, 2019 (both days inclusive).
 - Electronic copy of the Annual Report is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participants. However, the physical copies of the same are being sent to all the members by the permitted mode who are members of the Company as on the cut-off date i.e. 02nd August 2019.
 - To promote green initiative, members are requested to register their e-mail address through their Depository Participant for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail address through the Registrar and Share Transfer Agent, giving reference of their folio number.
 - Pursuant to provisions of section 125 of the Companies Act, 2013, dividend which remained unpaid/unclaimed for a period of seven (7) years from the date of transfer of the same to the Company's unpaid dividend account has already been transferred in previous years to the Investor Education and Protection Fund established by the Central Government.
 - The Company has appointed CS Archana Maheshwari of M/s Archana Maheshwari & Co., Practicing Company Secretaries, as Scrutinizer who will scrutinize the remote e-voting and poll process in a fair and transparent manner.
 - The members can opt for only one mode of voting, i.e., either by e-voting or the poll facility available at the venue of the meeting.
 - Voting through electronic means:**

Pursuant to the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members, the facility to exercise their right to vote at the 35th Annual General Meeting by electronic means ("Remote e-voting"). The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- The voting period shall begin on 28th August, 2019 at 9:00 a.m. and ends on 30th August, 2019 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) i.e. 23rd August 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders/Members.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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"> 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 as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 the Parenteral Drugs (India) Limited.
- (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 same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.3

Shri Dharam Pal Khanna (DIN:00041106) was appointed as Non-Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 01.10.2014 till 30.09.2019 at the Annual General Meeting of the Company held on 29th September, 2014, therefore, his existing tenure is expiring on 30th September, 2019.

In the opinion of Nomination and Remuneration Committee and the Board, Mr. Khanna fulfills the conditions of appointment of Independent Director as specified in the Companies Act, 2013, Rules made thereunder and other applicable provisions of listing regulations and is independent of the management and has given his consent and declaration for the same in accordance with section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Keeping in view the above facts and on the basis of recommendation of Nomination and Remuneration Committee and performance evaluation by the Board of Directors at their meeting held on 5th August, 2019, the Board is of the view that during his tenure as an Independent Director he has actively participated in the Committee and Board Meetings and have rigorously reviewed Company's activities as Independent Director of the Company. The re-appointment and continuation of his directorship would benefit Company manifolds in the governance of the Company and decided to continue and re-appoint Mr. Khanna as Non Executive- Independent Director of the Company for second term of five consecutive years commencing from 1st September, 2019 to 31st August, 2024.

Pursuant to Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 read with Schedule IV of the Act require that the appointment or continuation of appointment of Non-Executive Independent Director of the Company who has attained the age of 75 years and the second term of his appointment requires approval of members by way of passing of Special Resolution respectively.

Also, in terms of sub section (13) of section 149 read with explanation to sub section (6) of section 152 of the Companies Act, 2013, Independent Director is not liable to retire by rotation.

A brief profile of Mr. Khanna is stated in the annexure to the Notice.

A Copy of draft letter of appointment of Shri Khanna setting out the terms and conditions of appointment shall also be made available for inspection in physical or in electronic form during specified business hours as stated in notes to the Notice at the Registered Office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered Office as well as Corporate Office of the Company and also at the Meeting.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution as set out in Item No. 3.

The Board recommends passing of resolution as set out in item No. 3 as Special Resolution.

ITEM NO.4

Shri Dilip Kumar Sinha (DIN: 00366192) was appointed as Non-Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 01.10.2014 till 30.09.2019 at the Annual General Meeting held on 29th September, 2014.

In the opinion of Nomination and Remuneration Committee and the Board, Mr. Sinha fulfills the conditions of appointment of Independent Director as specified in the Companies Act, 2013, Rules made thereunder and other applicable provisions of listing regulations and is independent of the management and has given his consent and declaration for the same in accordance with section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Keeping in view the above facts and on the basis of recommendation of Nomination and Remuneration Committee and performance evaluation by the Board of Directors at their meeting held on 5th August, 2019, the Board is of the view that knowledge, experience, performance and active participation of Shri Dilip Kumar Sinha will benefit the Company and decided to continue and re-appoint Mr. Sinha as Non Executive- Independent Director of the Company for a second term of five consecutive years commencing from 1st October, 2019 to 30th September, 2024.

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV of the Act require that the second term of his appointment to be approved by members by way of passing of Special Resolution.

Also, in terms of sub section (13) of section 149 read with explanation to sub section (6) of section 152 of the Companies Act, 2013, Independent Director is not liable to retire by rotation.

A brief profile of Mr. Sinha is stated in the annexure to the Notice.

A Copy of draft letter of appointment of Shri Sinha setting out the terms and conditions of appointment shall also be made available for inspection in physical or in electronic form during specified business hours as stated in notes to the Notice at the Registered Office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered Office as well as Corporate Office of the Company and also at the Meeting.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution as set out in Item No. 4.

The Board recommends passing of resolution as set out in item No. 4 as Special Resolution.

ITEM NO.5

Your Company regularly enters into related party transactions with its erstwhile subsidiary Company viz. Infutec Healthcare Limited, a Related Party. Infutec Healthcare Limited has ceased to be subsidiary of the Company w.e.f. 10th July, 2018. However, the related party transactions viz. loan license arrangements and other contracts/arrangements for production, sale, purchase or supply of any goods or materials, finished goods, job work and availing or rendering of any services to/from M/s. Infutec Healthcare Limited will be continued.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction requires prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company or Rs. 100 crore whichever is lower in case of goods and 10% or more of the annual turnover of the Company or Rs. 50 crore whichever is lower in case of services as per last audited financial statements of the Company.

The transactions to be entered into between the Company and Infutec Healthcare Limited, a related party by virtue of Section 2 (76) (vii) of the Companies Act, 2013, may exceed the limit as mentioned above. These transactions shall be in the ordinary course of business and at an arm's length basis even though as an abundant precaution, it is proposed to seek approval of the shareholders of the Company to enter into such transactions for an amount not exceeding Rs. 360,000,000/- (Rupees Thirty Six Crores only) for the period commencing from 1st October, 2019 till 31st March, 2020 and from 01st April, 2020 till 30th September, 2020 for an amount not exceeding Rs. 360,000,000/- (Rupees Thirty Six Crores only).

None of the Directors, Key Managerial Personnel of the Company and their relatives except Shri Manohar Lal Gupta (DIN: 00040784), Shri Vinod Kumar Gupta (DIN: 00039145), Shri Anil Mittal (DIN: 00039133) and Shri Govind Das Garg (DIN: 00520067) being the directors in Infutec Healthcare Limited and their relatives are concerned or interested, financially or otherwise, in the above referred resolution.

The Board recommends the resolution as set out in Item No.5 of the accompanying Notice, for the approval of members of the Company as an Ordinary Resolution.

ITEM NO.6

You are aware that during the year 2011-12, the Company faced severe liquidity crisis owing to various factors which squeezed the entire liquidity of the Company and the Company could not perform at its peak capacity during subsequent financial years. Resultantly, the case of the Company was referred to the Corporate Debt Restructuring Cell (CDR Cell) by the secured lenders with cut-off date of 1st April, 2012. In the meantime, the Company also tried to demerge the Kasrawad and Baddi Undertakings, and secured necessary permission from SEBI, however, due to non-availability of any investor, the proposal of the Company to demerge had to be dropped.

Despite all efforts, the account of the Company became "non-performing" and the secured lenders classified the account of the Company in NPA category w.e.f 24th January, 2016. The accumulated losses to the tune of Rs.296.14 crores (Rupees Two Hundred and Ninety Six Crores and Fourteen Lakh Only) also placed the Company into the category of potentially sick Company in terms of provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 for erosion of more than 50% of the net worth by the end of financial year 31st March, 2016.

However, by the financial year ending on 31st March, 2017 the losses as well as the secured and other debts of the Company further escalated rendering it impossible for the Company to run the plants and service the debts. You would appreciate that the directors of the Company have been trying their best to somehow survive in the worst possible period, however they are of the opinion that at this juncture remedial measures are the measures of last resort.

Under the circumstance, since the operation of some of the properties has become impossible and no lender is willing to financially support the Company resultantly the assets of the Company are losing their value, the Board of directors of the Company is forced to dispose of the assets of the Company to such person or persons willing to purchase such assets including but not limited to any investor who is willing to purchase the entire assets of the Company and if any such investor is not available and permitted by the secured lenders of the Company under any scheme of revival or otherwise to any related party of the Company by virtue of Section 2 (76) (vii) of the Companies Act, 2013, as slump sale on a going concern basis and/or individually, or on as is where is whatsoever there is basis, as the case may be, together with all movable and immovable properties whether tangible or intangible and whether forming part of the undertaking or not and all other assets of the Company, wherever situated, of every nature and description whatsoever.

The Board of Directors of the Company therefore, subject to approval and compliance of the terms & conditions of the authorities, and secured lenders have decided to sell, transfer, lease or otherwise dispose of the properties of the Company to any investor who is willing to purchase the entire assets of the Company and if any such investor is not available and permitted by the secured lenders of the Company under any scheme of revival or otherwise at such price as may be arrived at by the Board of Directors of the Company on the basis of valuation by qualified professional and in consultation with the secured lenders of the Company

The aforesaid action of the Board of Directors of the Company would require prior approval of the shareholders of the Company under the provisions of section 180 read with provisions of section 188 of the Companies Act, 2013 and Companies (Meeting of Board and its Powers), Rules, 2014 as amended from time to time.

The directors of the Company shall not be interested in the resolution if pursuant to the proposed resolution the assets are sold to some investor and in case all efforts of the Board of directors of the Company are unsuccessful to find out an investor and as a matter of last resort, the decision is taken by the Board of directors of the Company, in consultation with the secured lenders, to execute

necessary agreements for transfer of the assets of the Company in favour of a related party, in such a situation Mr. Manohar Lal Gupta (DIN: 00040784), Mr. Vinod Kumar Gupta (DIN: 00039145), Mr. Govind Das Garg (DIN: 00520067), Mr. Anil Mittal (DIN: 00039133) Directors of the Company and their relatives may be interested in the resolution since they are also the Directors of Infutec Healthcare Limited and none of other directors, key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution as set out in the notice.

The Board recommends passing of the resolution as set out in Item No. 6 as a **Special Resolution**.

Place: Indore
Date: 5th August, 2019

BY ORDER OF THE BOARD

Manohar Lal Gupta
Chairman
(DIN: 00040784)