

NOTICE

Notice is hereby given that the 35th Annual General Meeting of **M/s. Mercury Laboratories Limited** will be held on Monday, the September 26, 2016 at 12:00 noon at the Hall of Silk Marchants' Association Charitable Trust, Dahanukar Building, 1st Floor, 480, Kalbadevi Road, Mumbai - 400 002 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended on March 31, 2016 together with the reports of the Board of Directors and Auditors thereon
2. To declare dividend
3. To appoint a director in place of Mr. Dilip R. Shah (DIN-00257242) who retires by rotation, being eligible, offers himself for re-appointment
4. Appointment of Auditors

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 all other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder as amended from time to time, the company hereby ratifies the appointment of M/s. Naresh & Co., Chartered Accountants (Firm Registration No. 106928W) as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Six Annual General meeting to be held in the year 2017 at such remuneration plus service tax, out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and Auditors."

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 provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (the "Companies Act") read with applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and all other provisions of applicable laws/rules and subject to the approval/consent of such appropriate authorities as may be required, under any statute for the time being in force, if any, (including any amendment, modifications or re-enactment thereof), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board) to exercise the powers by this resolution for entering into the related party transactions as specified under Section 188 of the Companies Act, 2013 with following related parties with effect from April 01, 2016 and every year thereafter, up to the maximum per annum amounts as appended in table below:

Sr. No.	Name of the Related Party	Relationship	*Maximum Value of Transactions per annum with effect from April 01, 2016 (Rs. In Crore)
01	M/s. Bio Med India	Partnership Firm in which Mr. Rajendra R Shah & Dilip R Shah are partners as Karta of their Hindu Undivided Family (HUF)	1
02	M/s. Mercury Marketing & Consultancy Services	Partnership Firm in which Mr. Rajendra R Shah & Mr. Dilip R Shah are partners	1
03	Directors / KMP's / Relatives of Directors and KMP / other firms & companies in which directors have interest as per the provisions of Section 2(76) of the Companies Act, 2013 other than mentioned here in above	---	1

*Expected value of transactions per annum

RESOLVED FURTHER that the Board of Directors of the Company and/or a committee thereof, be and are hereby authorised to do or cause to be done all such acts, matters, deeds, things and to settle any queries, difficulties, doubts, that may arise with regards to any transaction with the related party and execute such agreements, documents and writings and to make such fillings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby jointly and/or severally authorized to submit the necessary applications, if required, and the other required documents, forms and papers to the Registrar of Companies and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including altering, deleting, inserting any of the clause and to solve any difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company."

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

"**RESOLVED THAT** pursuant to the provisions of Section 94 (1) of Companies Act, 2013 & other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the Registers, Minutes, Returns and all the other statutory records/registers of the Company be and are hereby kept and maintained at 2/13 & 2/14, Baroda Industrial Estate, Gorwa Road, Vadodara – 390 016 or at the office of Registrar and Share Transfer Agent at Mumbai or Vadodara (i.e. place other than Registered Office where the Registers, Returns and other documents are proposed to be kept).

RESOLVED FURTHER THAT any of the director of the Company be and is hereby authorised to intimate by filing a copy of the resolution with Registrar of Companies and to do all the other acts as may be required to give effect to the aforesaid resolution including filing of necessary e-forms with Registrar of Companies."

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

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such other approvals as may be required, if any, approval of the Company be and is hereby accorded for the appointment of Mr. Dilip R Shah (DIN: 00257242), Non Resident India having US Citizenship, an inhabitant at Kusuram, Near Bus Stand, Sevasi, Vadodara – 391 101 as Whole-time Director of the Company, for a period of 5(five) years with effect from September 26, 2016 as well as payment of perquisites upon the terms and conditions as detailed in explanatory statement attached hereto with liberty to the Board of Directors (hereinafter referred to as "the board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Dilip R Shah, subject to the same not exceeding the limits specified under schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary of the Company be and are hereby jointly and/or severally authorized to submit the necessary applications, if required, and the other required documents, forms and papers to the Registrar of Companies or to such other authority, if any required, and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including altering, deleting, inserting any of the clause and to solve any difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company."

Date: August 05, 2016

Place: Vadodara

By order of Board of Directors

Mukesh Khanna
Company Secretary

Notes

- (a). A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY DULY COMPLETED MUST BE RETURNED

TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.

Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- (b) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (c) Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, name of companies in which they hold directorship and memberships / chairmanships of Board Committee, shareholding and relationship between directors inter-se stipulated under SEBI ((Listing Obligations and Disclosures Requirements) Regulations, 2015 are provided in the Corporate Governance Report forming part of Annual Report.
- (d) The relative explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts with respect to the special businesses under Item Nos. 5 of the notice is annexed hereto.
- (e) Members are requested to:
 - 1. Bring their copy of Annual Report and Attendance Slip with them at the Annual General Meeting.
 - 2. Quote their regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent
 - 3. Encash the dividend warrants on their receipt as dividend remaining unclaimed for seven years are now required to be transferred to the 'Investors Education and Protection Fund' established by the Central Government Under the provisions of the Companies Act 2013. Pursuant to Section 125 of the Companies Act, 2013, all unclaimed dividend declared and paid up to financial year 2007-08 have been transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for subsequent period are requested to en-cash the same immediately.
- (f) In case of Joint Holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
- (g) Annual Report and AGM Notice is available at the website of the Company at www.mercurylabs.com in the investor relation section, for download.
- (h) The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2016 to September 26, 2016 (both days inclusive) for the purpose of Annual General Meeting.
- (i) Relevant Documents referred to in the accompanying Notice and Statement are open for inspection by the members at the Corporate Office of the Company on all working days, except, Sunday during the business hours up to date of the meeting.
- (j) Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company / Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.
- (k) Members seeking further information on the Accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
- (l) Pursuant to SEBI Circular, it is mandatory to quote PAN for transfer/transmission of shares in physical form. Therefore, transferee(s) / legal heirs are required to furnish a copy of their PAN to the Registrar and Transfer agents, M/s. Link Intime India Private Limited.
- (m) The Ministry of Corporate Affairs (MCA) on May 10, 2012 notified the IEPF (Uploading Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information of the

unclaimed dividend in respect of the Final Dividend for the financial year from 2008-09 till dividend for the financial year 2014-15, on the website of the Company viz. www.mercurylabs.com

- (n) Electronic copy of the notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner e-voting along with attendance slip, proxy form and ballot forms is being sent to all the members whose email ID are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have registered their email address, physical copies of the notice of the 35th Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Ballot Form is being sent in the permitted mode.

(o) **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 the Company is pleased to provide members facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for members opting to vote electronically are as under:

- i. The voting period begins on September 23, 2016 (9:00 a.m.) and ends on September 25, 2016 (5:00) p.m. During this period shareholders of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date September 19, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Log on to the e-voting website www.evotingindia.com during the voting period.
- iii. Click on "Shareholders" tab
- 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 Code 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 the Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)
	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. 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 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 the Notice.
- xi. Click on the relevant EVSN of Mercury Laboratories Limited on which you choose to vote.
- 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 you dissent to the Resolution.
- xiii. Click on the RESOLUTIONS FILE LINK if you wish to view the entire Resolution.
- 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 image verification code and click on forgot password & enter the details as prompted by the system.
- xviii. Note for Non-Individual Shareholders and Custodians
 - a. Non Individual Shareholders other than Individuals, HUF, NRI etc. and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate and Custodians.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. 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.
 - d. 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.
 - e. They should upload a scanned copy of the Board Resolution / Authority Letter etc. in PDF Format in the system for the scrutinizer to verify the same.
- xix. 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

II. Voting at AGM:

The Members who have not casted their vote either electronically can exercise their voting rights at the Annual General Meeting venue and the member who have not cast their vote by remote e-voting can exercise their right during the meeting on September 26, 2016 at Annual General Meeting.

If a member casts vote in AGM is found to have exercised their voting options electronically or ballot forms or both, voting at the AGM will be treated as invalid.

OTHER INSTRUCTIONS

- iii. Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.
- iv. Mitesh Rana of Mitesh Rana & Co., Company Secretaries (Membership No.: 28113) has been appointed as the scrutinizer to scrutinize voting process (electronically or otherwise) in fair and transparent manner.
- v. The scrutinizer shall from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a scrutinizer's Report of the votes cast in favour or against, if any, & forthwith to the Chairman/Managing Director of the Company or any other person authorized in this regards.
- vi. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on website of the Company and on the website of CDSL with in (7) days of passing of the resolutions at the AGM of the Company and communicated to the

Date : August 05, 2016
Place : Vadodara

For and on behalf of the Board of Directors

Mukesh Khanna
Company Secretary

Contact Details

Company Name	:	Mercury Laboratories Limited
Regd. Office	:	18, Shreeji Bhuvan, 51, Mangaldas Road, Princess Street, Mumbai – 400 002 Telephone : 022-66372841, Tel. Fax : 22015441 Email : mlbom@mtnl.net.in, Website : www.mercurylabs.com
Corporate Office	:	2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara - 390 016. Email : secretarial@mercurylabs.com
Registrar & Transfer Agent	:	Link Intime India Private Limited B-102 & 103, Shangrila Complex, 1 st Floor, Opp. HDFC Bank, Nr. Radha Krishna Char Rasta, Akota, Vadodara - 390 020. Phone : + 91 265 2356573-2356794
e-Voting Agency	:	Central Depository Services (India) Limited E-mail ID : helpdesk.evoting@cDSLindia.com
Scrutinizer	:	Mitesh Rana & Co., Company Secretaries Email ID : csmiteshrana@gmail.com Phone : 09737461233

IMPORTANT COMMUNICATION TO MEMBERS

Pursuant to Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report he/she may write to the Company / RTA.

MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESS ARE REQUESTED TO REGISTER THEIR ADDRESS WITH THE DEPOSITORIES OR WITH THE COMPANY.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 5**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Company or its Directors and related parties. The provisions of Section 188(1) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 that govern the Related Party Transactions, requires that for entering into the following contract or arrangement, the consent of shareholders by way of a Special Resolution be obtained:

1. Sale, purchase or supply of any goods or materials
2. Selling or otherwise disposing of or buying, property of any kind
3. Leasing of property of any kind
4. Availing or rendering of any services
5. Appointment of any agent for purchase or sale of goods, materials, services or property
6. Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate Company and
7. Underwriting the subscription of any securities or derivatives thereof of the Company

The Board of Directors of the Company took note that as the Company develops financial institution with efficient systems, competent credit management practices and stringent operational control processes, thus, may extend the required support to its associates companies/related parties etc. In the light of provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board of Directors of your company has approved and proposed transactions with annual limit that your company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013).

Except Promoters Directors and their relatives (to the extent of their shareholding interest in the Company), no other directors or Key Managerial Personnel or their relative, is concerned or interested, financially or otherwise in passing of this resolution.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

The Registered Office of the Company is situated at 18, Shreeji Bhuvan, 51, Mangaldas Road, Princess Street, Mumbai – 400 002. The Corporate Office of the Company is situated at 2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara – 390 016 to co-ordinate Banking, purchase, distribution, operations, manufacturing due to well established infrastructure of the Company in Vadodara. In terms of the provisions of Sec. 94(1) of the Companies Act 2013, Registers and copies of the returns as aforesaid may also be kept at any other place in India other than at the Registered Office of the Company, in which more than one-tenth of the total number of members entered in the Register of Members reside, if approved by a Special Resolution by the members of the Company. More than one-tenth of the shareholders of the Company are residing in Vadodara. The Board recommends to keep the registers maintained under Section 88(1) of the Companies Act, 2013 ("the Act") [i.e. Register of Members etc.] and copies of the annual returns filed under Section 92 of the Act at the Corporate Office at Vadodara or at office of Registrar and Share Transfer Agent at Mumbai or Vadodara. The Board therefore recommends the resolution as set out at Item No.6 for approval of the members as Special Resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the said Resolution.

Item No. 7

Mr. Dilip R. Shah had been associated with the Company since inception. Considering the valuable services provided by Mr. Dilip R. Shah, and on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company (the Board), at its meeting held on August 05, 2016 has, subject to the approval of members and such other approvals, if any, required, appointed Mr. Dilip R. Shah as Whole-Time Director, for a period of 5 (five) years with effect from September 26, 2016.

The proposed remuneration of Mr. Dilip R. Shah is as under:

1. **Salary** : Nil
2. **Perquisite**
 - ☛ Housing: The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company policy.

- ☞ Medical Re-imbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family
- ☞ Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company
- ☞ Club Fees: Fees of clubs, subject to a maximum of three clubs.
- ☞ Personal accident insurance in accordance with the rules of the company.
- ☞ Use of Car with Driver: The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented to, the Mr. Dilip R. Shah, for business and personal use.
- ☞ Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company.
- ☞ Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the company.
- ☞ The Mr. Dilip R. Shah would be liable to retire by rotation.

A statement containing the information stipulated in Schedule V to the Companies Act, 2013 is given in subsequent pages.

The Whole-Time Director will perform his duties as such with regard to all work of the company and will manage and attend to such business and carry out the orders and directions given by the board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

The Whole-Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Whole-Time Director shall adhere to the Code of Conduct for Directors and Management Personnel. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of appointment of Mr. Dilip R Shah under Section 190 of the Act. Brief resume of Mr. Dilip R Shah, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst director Inter-se as stipulated is provided in the end of Notice. Mr. Dilip R Shah is interested in the resolution set out at Item No. 7 of the Notice, which pertains to his appointment.

Save and except the above and Mr. Rajendra R Shah, being real brother of Dilip R Shah, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

It is proposed to seek the members' approval for the appointment Mr. Dilip R. Shah as Whole-Time Director in terms of the applicable provisions of the Act. The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms appointment of Mr. Dilip R. Shah, as the Whole Time Director of the Company and Memorandum of Interest of Directors u/s. 190 of the Companies Act, 2013.

The Board recommends the approval of the Special Resolution seeking your consent.

STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE V TO THE COMPANIES ACT, 2013 FOR APPOINTMENT OF MR. DILIP R SHAH AS WHOLE TIME DIRECTOR

MR. DILIP R SHAH

Mr. Dilip R Shah (age 60) has done his Bachelors in Pharmacy and Master of Business Administration. He is associated with the Company since its inception. Having expertise in the field of Business Administration, he looks after marketing, finance and overall administrative functions.

He is member of CSR Committee of the Board of the Company. His other directorship is given below:

- 1) Mercury Antibiotics Private Limited

The above list of Directorship is excluding Foreign Companies and Section 8 Companies.

GENERAL INFORMATION

Sr. No.	Information sought	Information		
i.	Nature of Industry	The Company is engaged in manufacturing pharmaceuticals products.		
ii.	Date of Commencement of Commercial Production	The Company has started its operations from February 12, 1982.		
iii.	Financial performance of the Company	Rs. In Lacs		
		Particulars	2015-16	2014-15
		Revenue from Operations	4829.51	4231.20
		Profit/(Loss) before Tax	493.57	460.50
		Profit/(Loss) After Tax	392.26	331.34
		Paid-up Equity share Capital	120.00	120.00
		Reserves & Surplus	2064.70	1694.10
		Earnings per Share (Rs.)	32.69	27.61
Book value per share (Rs.)	172.05	141.18		
iv.	Export performance and net foreign exchange collaboration	The Company's export on FOB basis was Rs. 9,08,57,658 for 2015-16 and Rs. 5,67,04,088 for 2014-15.		
v.	Foreign investments or collaborations	In Technical Collaboration with JAS Healthcare, Inc., USA		

INFORMATION ABOUT THE APPOINTEE:

i.	The background details	The background details of Mr. Dilip R Shah are given elsewhere in the notice.
ii.	Past Remuneration	Mr. Dilip R Shah was drawing Nil remuneration.
iii.	Recognition or awards	Nil
iv.	Job profile and his suitability	Mr. Dilip R Shah, Whole Time Director provides leadership and strategic guidance to the Company in addition to supervising functional - heads of marketing, finance & accounts, regulatory compliance etc including overall management & administration of Company. Given the profile of Mr. Dilip R Shah, it is imperative that he is appointed as Whole Time Director of the Company.
v.	Remuneration proposed	Nil except perquisites as provided in explanatory statement to Notice dated August 05, 2016
vi.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in Health-Care Companies, Companies engaged in multiple businesses, of comparable size and has been considered by the Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meeting held on August 05, 2016.
vii.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Dilip R Shah is real brother of Mr. Rajendra R Shah, Promoter and Managing Director of the Company. There is no other pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholding in the Company. This information is already disclosed elsewhere in the notice.

OTHER INFORMATION:

i.	Reasons of loss or inadequate profits	<ul style="list-style-type: none"> Highly competitive market and aggressive pricing by domestic and international Companies. Expenditure on Expansion & development of new facilities for new business avenues
ii.	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> Reduction in cost of operation through indigenous efforts Focusing on atomization in processes wherever possible.
iii.	Expected increase in productivity and profits in measurable terms	Expecting Year-on-Year 20% profit growth with the above measures.

Disclosures:

The break-up of remuneration package is mentioned in the Corporate Governance Report. For the details of Mr. Dilip R Shah, Whole Time Director, please refer Explanatory in respect of Special Business statement at Item No. 4 of Notice of Meeting.

Date: August 05, 2016
Place: Vadodara

By order of Board of Directors

Mukesh Khanna
Company Secretary