

NOTICE

Notice is hereby given that the 36th Annual General Meeting of **M/s. Mercury Laboratories Limited** will be held on Friday, the September 29, 2017 at 11:30 a.m. at the Electric Merchants' Association Hall, Shreeji Bhuvan, Room No. 12, 2nd Floor, 51 Mangaldas Road, Lohar Chawl, 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, 2017 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 appoint of M/s. R. J. Shah & Associates., Chartered Accountants (Firm Registration No. 109752W) as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General meeting to be held in the year 2018 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 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, 2017 and every year thereafter, up to the maximum per annum amounts as appended in table below:

Sr. No.	Name of the Related Party	Relationship	Nature of Transaction	*Maximum Value of Transactions per annum with effect from April 01, 2017 (INR)
01	Jas Healthcare INC	Company managed by Director & their relative	Transactions for sale, purchase of goods and to provide / avail services to / from Jas Healthcare INC	INR 2 Crore
02	Mercury Marketing & Consulting Services	Partnership firm in which directors are interested	To avail & utilize professional and specialized consultancy services in field of Sales and Marketing, IT Services ERP Support Services Statutory Compliance such as Central Excise and Custom and Intellectual Property Advisory Services	INR 30 Lacs

*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 filings 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

A. Pursuant to the provisions of Sections 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013, (Act) read with Schedule V to the Companies Act, 2013 as amended from time to time and/or any enactment thereof and subject to the approval of the shareholders of the company at General Meeting, and such other approvals as may be required, the Board hereby accords its consent to the reappointment of Mr. Rajendra R. Shah, (DIN: 00257253) as Managing Director of the Company, for a further period of 3 years w.e.f April 01, 2017 on the under mentioned terms of Remuneration

- a) **Salary:** Rs. 1,40,000 per month, with such increments at such time, as may be decided by the Board of Directors.
- b) **Allowances & Perquisites:** Allowances and perquisites shall comprise of:
 - i. Actual Medical Reimbursement
 - ii. Leave travel allowance / reimbursement for self and family once in a year in accordance with the rules of the company shall not exceed 50% of monthly Salary.
 - iii. Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service.
 - iv. Car with driver for use on company's business, cell phone and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the company.
 - v. Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the company.

B. In the event of loss or inadequacy of profits, Mr. Rajendra R. Shah shall be entitled to above stated remuneration subject to the approval of the Central Government, if any required. In the event of non-approval / pending approval of remuneration, Mr. Rajendra R. Shah shall be entitled to remuneration as per the slab stipulated in Section II of Part II of Schedule V to the Companies Act, 2013

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 and alter, vary any of the terms and conditions relating to remuneration payable to Mr. Rajendra R. Shah including increase in remuneration within the limit of remuneration prescribed in Section II of Part II of Schedule V to the Companies Act, 2013.

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 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 solve difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, if any and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 40,000/- annually

plus applicable taxes and out of pocket expenses at actuals for travelling and boarding / lodging for the financial year ending on March 31, 2018 to M/s. Jeegar Patel & Co., (FRN 103686) Cost Accountants who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2017 – 18.

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."

Date: 05/08/2017

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/HERSELF 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 COMMENCEMENT 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 the 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 or upload it on e-voting portal, 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 Disclosure Requirements) Regulation, 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 to 7 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 2008 – 09 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 an-cash the same immediately. **Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable rules.**

- (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, 2017 to September 29, 2017 (both days inclusive) for the purpose of Annual General Meeting and payment of the final dividend for the financial year ended on March 31, 2017.
- (i) Link Intime India Private Limited is the Registrar and Share Transfer Agents of the Company. Shareholders are requested to make all correspondence to them at the following address.
- Link Intime India Private Limited
Unit: Mercury Laboratories Limited
B- 102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta,
Akota, Vadodara - 390 020 Tel No.: +91 265 2356573/2356794
Email Id : vadodara@linkintime.co.in
Website : www.linkintime.co.in
- Head Office Address of Link Intime India Private Limited
C - 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.
Telephone No.: +91 22 49186270, Fax: +91 22 49186060.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) Pursuant to SEBI Circular, it is mandatory to provide 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.
- (n) 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 2009 – 10 till dividend for the financial year 2015 – 16, on the website of the Company viz. www.mercurylabs.com
- (o) Subject to provisions of the Act, dividend as recommended by the Board, if declared at the meeting, will be paid within 30 days from the date of declaration to those members whose names appear on the Register of Members as on September 29, 2017.
- (p) Members whose shareholding is in electronic mode are requested to direct change of address notification and updates of Bank Accounts details to their respective depository participant(s). We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
- (q) We urge members to support our commitment to environmental protection by choosing to receive their communication through email. You can do this by updating your email addresses with your depository participants.
- (r) Electronic copy of the notice of the 36th 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 36th 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.

(s) 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 36th 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 26, 2017 (9:00 a.m.) and ends on September 28, (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 22, 2017, 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)
	<input type="checkbox"/> 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 29, 2017 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 within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

Date : 05/08/2017
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
E-mail : mlbom@mtnl.net.in, Website : www.mercurylabs.com

Corporate Office : 2/13-14, Gorwa Industrial Estate,
Gorwa Road, Vadodara - 390 018.
E-mail : secretarial@mercurylabs.com

Registrar & Transfer Agent : Link Intime India Private Limited
B-102 & 103, Shangrila Complex, 1st Floor,
Opp. HDFC Bank, Nr. Radha Krishna Char Rasla,
Akola, 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
E-mail ID : csmiteshrana@gmail.com
Phone : 09737461233

IMPORTANT COMMUNICATION TO MEMBERS

Pursuant to Section 101 and 138 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 EITHER 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 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).

Other Details as required as per the Companies (Meetings of Board and Its Powers) Rules, 2014.**1. Jas Healthcare INC**

- A. Name of Related Party :** Jas Healthcare INC.
- B. Name of Directors or Key Managerial Personnel who is related, if any:**
Mr. Dilip R. Shah
- C. Nature of Relationship:** Jas Healthcare INC is run by relative of director.
- D. Nature, Material Terms, Monetary Value and Particulars of Contract or arrangement;**
Transactions for sale, purchase of goods and to provide / avail services to / from Jas Healthcare INC not exceeding Rs. 2 Crore per annum at an arm's length price
- E. Any other Information relevant or important for the members to take decision on proposed resolution :**
None

2. Mercury Marketing & Consulting Services (MMCS)

- F. Name of Related Party :** Mercury Marketing & Consulting Services (MMCS)
- G. Name of Directors or Key Managerial Personnel who is related, if any:**
Mr. Rajendra R. Shah & Mr. Dilip R. Shah
- H. Nature of Relationship :** Firm is run by relative of director.
- I. Nature, Material Terms, Monetary Value and Particulars of Contract or arrangement;**

Nature	Material Terms	Monetary Value	Particulars of Contract or Arrangement
To Professional Services from aforementioned firm in professional capacity	To avail and utilize professional and specialized consultancy services in field of Sales and Marketing, IT Services ERP Support Services Statutory Compliance such as Central Excise and Custom Goods & Service Tax (GST) and Intellectual Property Advisory Services	Rs. 30 Lacs per annum	MMCS shall render professional consultancy services in various areas such as New Product Introduction, Development and Promotion, Technology Upgradation, Marketing and Sales Distribution, Information Technology Services, ERP Support Services, Central Excise and Custom and Goods & Service Tax (GST) and Intellectual Properties, Company Secretarial and Legal Services etc for a period of 3 years with effect from July 01, 2017 in its professional capacity.

J. Any other Information relevant or important for the members to take decision on proposed resolution:

None

The Copies of contract entered with MMCS is available at the Corporate Office of the Company situated at Vadodara for inspection by any member of the company during business hours.

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

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.

ITEM NO. 6

Mr. Rajendra R Shah had been associated with the Company since inception and was appointed as Managing Director with effect from April 01, 1992.

Mr. Rajendra R Shah holds a degree of B. Pharm from the Gujarat University of Ahmedabad and possess extensive experience of more than three decades in overall management more particularly in the fields of Production, Quality Control, Material Management, Marketing and overall administration of the Company. Despite of emerging challenges in the area of technology, marketing and finance, during his present tenure the company not only showed remarkable progress year after year and registered significant growth that were emanated in the market and conducted efficient and effective management of the affairs of the company.

Considering the valuable services provided by Mr. Rajendra 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 January 31, 2017 has, subject to the approval of members and such other approvals, if any, required, appointed Mr. Rajendra R Shah as Managing Director, for a period of 3 (Three) years with effect from April 01, 2017.

The proposed remuneration of Mr. Rajendra R Shah is provided in the special resolution mentioned at Item No. 6.

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

The Managing 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 Managing 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. Rajendra R Shah under Section 190 of the Act. Brief resume of Mr. Rajendra R Shah, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst director Inter-se as stipulated is provided in the end of Notice. Mr. Rajendra R Shah is interested in the resolution set out at Item No. 6 of the Notice, which pertains to his appointment.

Save and except the above and Mr. Dilip R Shah, being brother of Rajendra 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. Rajendra R Shah as Managing 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. Rajendra R Shah, as the Managing 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. RAJENDRAR. SHAH AS MANAGING DIRECTOR.

MR. RAJENDRA R SHAH

Mr. Rajendra R Shah (age 65) has done his Bachelors in Pharmacy. He is associated with the Company since its inception. Having expertise in the field of Business Management, he looks after marketing, finance and overall management of the Company.

He is member of CSR Committee of the Board of the Company. He is also a Chairman 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 Pharmaceutical Business, Manufacturing, Exporting, Importing, Selling and Otherwise dealing in all kinds of pharmaceutical drugs, medicines, herbs, laboratory and surgical materials etc.																								
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																								
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>2016-17</th> <th>2015-16</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>4838.09</td> <td>4829.51</td> </tr> <tr> <td>Profit/(Loss) before Tax</td> <td>489.42</td> <td>493.57</td> </tr> <tr> <td>Profit/(Loss) After Tax</td> <td>270.30</td> <td>392.26</td> </tr> <tr> <td>Paid-up Equity share Capital</td> <td>120.00</td> <td>120.00</td> </tr> <tr> <td>Reserves & Surplus</td> <td>2335.00</td> <td>2064.70</td> </tr> <tr> <td>Earnings per Share (Rs.)</td> <td>22.53</td> <td>32.69</td> </tr> <tr> <td>Book value per share (Rs.)</td> <td>205</td> <td>172.05</td> </tr> </tbody> </table>	Particulars	2016-17	2015-16	Revenue from Operations	4838.09	4829.51	Profit/(Loss) before Tax	489.42	493.57	Profit/(Loss) After Tax	270.30	392.26	Paid-up Equity share Capital	120.00	120.00	Reserves & Surplus	2335.00	2064.70	Earnings per Share (Rs.)	22.53	32.69	Book value per share (Rs.)	205	172.05
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iv.	Export performance and net foreign exchange collaboration	The Company's export on FOB basis was Rs. 10,18,22,695 for 2016-17 and Rs. 9,08,57,658 for 2015-16.																								
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. Rajendra R Shah are given elsewhere in the notice.
ii.	Past Remuneration	Mr. Rajendra R Shah drawn remuneration of Rs. 16,80,000 per annum.
iii.	Recognition or awards	Nil
iv.	Job profile and his suitability	Mr. Rajendra R Shah, Managing 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. Rajendra R Shah, It is imperative that he is appointed as Managing Director of the Company.
v.	Remuneration proposed	As provided in resolution mentioned herein above
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 January 31, 2017.
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.

ITEM NO. 7

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the rules") the Company is required to appoint a cost auditor to audit the cost records of the Company for products and services as specified under the Companies (Cost Records and Audit) Rules, 2014. On the recommendation of audit committee, the Board of Directors had approved the appointment of M/s. Jeegar Patel & Co., (FRN 103686) Cost Accountants as the cost auditors of the company to conduct audit of cost records maintained by the Company for the Financial year 2017 - 18 at a remuneration of Rs. 40,000/- annually plus applicable taxes and out of pocket expenses at actual for travelling and boarding / lodging for the years.

M/s. Jeegar Patel & Co., Cost Accountants have furnished certificates regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provisions of Section 148 of the act read with the rules, the remuneration payable to the cost auditor has to be ratified by the shareholder of the company. Accordingly consent of the members is sought for the aforesaid proposal.

The directors recommend this remuneration for approval of shareholder.

None of the directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at item No. 7.

Date : 05/08/2017
Place : Vadodara

For and on behalf of the Board of Directors

Mukesh Khanna
Company Secretary

II. DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Mr. Dilip Shah	Mr. Rajendra R. Shah
Date of Birth	December 14, 1954	March 02, 1952
Age	63	65
Qualification	B. Pharm, M.B.A.	B. Pharm
Experience in Specific functional area	Marketing Finance & Administration	Overall Business Management
Director Since	February 16, 1982	February 16, 1982
List of Companies in which outside directorship held	Mercury Antibiotics Private Limited	Mercury Antibiotics Private Limited
Membership of Committee of the Board of Director of the Company	Corporate Social Responsibility Committee	Corporate Social Responsibility Committee
Membership in Committee in other Companies	N.A.	N.A.
No. of Shares held	59,850	85,650

Date: 05/08/2017
Place: Vadodara

By order of Board of Directors

Mukesh Khanna
Company Secretary