



Jenburkt Pharmaceuticals Ltd.

CIN: L24230MH1985PLC036541

Regd. Office: Nirmala Apartments, 93, J.P.Road, Andheri (W), Mumbai - 400 058.

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POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014)

Dear Shareholder,

Notice is hereby given, in accordance with the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014 (the "Rules") (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time), seeking approval of the members of Jenburkt Pharmaceuticals Limited (the "Company") on the resolution appended below proposed to be passed as a special resolution by means of postal ballot including electronic voting (e-voting).

An Explanatory Statement pursuant to Section 102 of the Act and other applicable provisions, pertaining to the said resolution setting out the material facts and the reasons thereof, along with the postal ballot form is annexed herewith for your consideration. The postal ballot notice, explanatory statement and the postal ballot form are also available on the website of the Company.

The Board of Directors (Board) of the Company has pursuant to Rule 22(5) of the Companies (Management and Administration) Rules, 2014, appointed Mr. Nilesh G. Shah of Nilesh Shah & Associates, Practicing Company Secretaries to act as the Scrutinizer ("Scrutinizer") for conducting the postal ballot/ e-voting process, in a fair and transparent manner.

Shareholders have the options of voting either by e-voting or through the physical postal ballot. Shareholders desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed on the postal ballot form and record their assent ('FOR') or dissent ('AGAINST') therein and return the postal ballot form duly completed in all respects in the enclosed self-addressed, business reply envelope. Postal ballot form(s), if sent by courier or by registered post / speed post at the address mentioned on the self-addressed, business reply envelope, at the expense of the Shareholders will also be accepted. The postal ballot form(s) may also be delivered personally at the address given on the self-addressed envelope. The duly completed postal ballot form should reach the Scrutinizer not later than 05:00 p.m. IST on Monday, 28th January, 2019, to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the member. Shareholders desiring to opt for e-voting as per the facilities arranged by the Company are requested to note that Central Depository Services (India) Limited ("CDSL"), has been engaged, as an agency, to facilitate e-voting for the postal ballot. Kindly read the instructions as stated in the notes under the heading "**Voting through Electronic Means (E-voting)**", for e-voting.

After completion of scrutiny of Postal Ballot (including e-voting) in a fair and transparent manner, the Scrutinizer will submit his report to the Chairman or in his absence a person authorized by him in writing. The result of the Postal Ballot will be announced by the Chairman or any person authorized by him, at the registered office of the Company, at 12.00 noon on Wednesday, 30th January, 2019. The result will be displayed at the Registered Office of the Company and communicated to the BSE Limited (the "BSE") where the equity shares of the Company are listed. The result of the Postal Ballot will also be displayed on the Company's website and on the website of Central Depository Services (India) Limited ("CDSL") and Bigshare Services Private Limited ("Bigshare" or "Registrar and Share Transfer Agents").

SPECIAL BUSINESS:

1. To consider and approve payment of remuneration to Shri Ashish U. Bhuta (DIN: 00226479) the Chairman and Managing Director of the Company in conformity with the Provisions of the Companies Act, 2013, as amended:

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

"RESOLVED THAT subject to Sections 197, Schedule V, all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory amendment, modification or re-enactment thereof, for the time being in force, and pursuant to the Companies (Amendment) Act, 2017, Ministry of Corporate Affairs, Government of India (MCA)'s Notifications number S.O. 4823(E) amending Section 197 and number 4822 (E) amending schedule V of the Companies Act, 2013, both dated 12th September, 2018, MCA's letter addressed to the Company, indicating abatement of the approval procedure vide reference number SRN G87956207/2018-CL-VII dated 23rd October 2018, on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors vide their respective meetings held on 30th October, 2018, in a partial modification of the previous special resolution passed by the Members at the 32nd Annual General Meeting held on 31st July, 2017, the consent of the Members be and is hereby accorded for the approval of the terms of remuneration of Shri Ashish U. Bhuta (DIN-00226479), as the Chairman and Managing Director and Key Managerial Personnel of the Company, for a period from 12th September, 2018 to 31st March 2021, as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT in the event of a loss or inadequacy of the profit of the Company in any financial year during his tenure, the aforesaid remuneration shall be paid to the Chairman and Managing Director as a minimum remuneration, for the period of his appointment, subject to Schedule V and all other applicable provisions of the Act, Rules made thereunder and other applicable Statutory provisions, for the time being in force.

RESOLVED FURTHER THAT the Board and/or the Nomination and Remuneration Committee thereof be and is hereby authorised and empowered in its absolute discretion to change, alter or modify the terms and conditions of the Chairman and Managing Director's

remuneration mentioned herein and / or in the agreement with his consent, subject to the applicable provisions of the Act, Rules made thereunder and other applicable Statutory provisions, for the time being in force.

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

By order of the Board,
For Jenburkt Pharmaceuticals Ltd.

Ashish R. Shah
Company Secretary

Date: 10th December, 2018

Place: Mumbai.

Notes:

1. The Explanatory Statement and material facts and reasons for the proposed Special Business pursuant to Section 102 are annexed hereto.
2. The Board of Directors of the Company has appointed Mr. Nilesh G. Shah, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot process (including e-voting), in a fair and transparent manner.
3. Central Depository Services (India) Limited has been engaged as an agency in respect of e-voting for the postal ballot.
4. The postal ballot notice is being sent to the Shareholders who have registered their email address for receipt of documents in electronic form at the email addresses registered with their Depository Participants or the Company's Registrar and Transfer Agent. For Shareholders, whose email address are not registered, physical copies of the postal ballot notice along with postal ballot form are being sent by permitted mode along with a self-addressed business reply envelope. The self-addressed envelope bears the address to which duly completed postal ballot form is to be returned.
5. In compliance with Section 110 read with section 108 of the Companies Act, 2013, the Rules made there under and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company has provided the facility to the Members to exercise their votes electronically and vote on the resolution through the e-voting facility provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are listed below in this Notice.
6. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on 21st December, 2018 (Cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by Postal Ballot or e-voting. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by valid e-voting shall prevail and votes cast through physical postal ballot form will be treated as invalid.
7. In case a Member is desirous of obtaining a duplicate postal ballot form, he or she may send an email to Bigshare Services Private Limited (“Bigshare” or “Registrar and Share Transfer Agents”) at investor@bigshareonline.com or download the Postal Ballot form from the Company's website, www.jenburkt.com or from the website of CDSL, www.evotingindia.com. The Members who have received Postal Ballot Notice and form by e-mail and still wish to vote physically through Postal Ballot form, may download the form attached with e-mail or from the website of the Company or of CDSL as stated above and submit the duly signed physical form to the Scrutinizer, so as to reach on or before 5.00 p.m. IST, on Monday, 28th January, 2019.
8. A Member cannot exercise his/her vote by proxy on postal ballot.
9. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the postal ballot notice and form and return the physical postal ballot form duly completed and signed, in the enclosed self-addressed business reply envelope to the Scrutinizer, so that it reaches the Scrutinizer on or before 5:00 PM IST on Monday, 28th January, 2019. The postage will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered/ speed post, at the address mentioned on the self-addressed business reply envelope at the expense of the Members, will also be accepted. If any postal ballot is received after 5:00 PM IST on Monday, 28th January, 2019, it will be considered that no reply has been received from the Member. Further, please note that the Postal Ballot Forms shall also be considered invalid if (i) it is not possible to determine without any doubt the assent or dissent of the Member, and/or (ii) a competent authority has given directions in writing to the Company to freeze the voting rights of the Member, and/or (iii) it is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and/or (iv) the Member has made any amendment to the resolution set out herein or imposed any condition while exercising his vote.
10. The Scrutinizer's decision on Postal Ballot shall be final. He will submit his report to the Chairman & Managing Director or such other person as may be authorized by the Chairman & Managing Director after the completion of the scrutiny of the postal ballots (including e-voting). Thereafter, the result of the postal ballot would be announced on 30th January 2019, by the Chairman & Managing Director or any other Director/ Authorized Persons of the Company. The same shall be communicated to BSE Limited and will also be displayed on the website of the Company i.e. www.jenburkt.com for the information of the Shareholders. The results of the Postal Ballot will also be displayed on the website of Central Depository Services (India) Limited (“CDSL”).
11. All material documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days (except Saturdays and Sundays), between 11.00 a.m. and 1.00 p.m. up to the date of declaration of the result of Postal Ballot.

12. Any queries/grievances pertaining to:
- Voting by Postal Ballot can be addressed to Bigshare or Company at the registered office or by sending an e-mail at investor@bigshareonline.com or investor@jenburkt.com
 - The e-voting process, can be addressed to CDSL by sending an e-mail at helpdesk.evoting@cdslindia.com

13. Voting through Electronic Means (E-voting) :

In compliance with the requirements of regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 110, 108 and other applicable provisions of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 including the amendments thereto, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically, for the resolution proposed to be passed through postal ballot, instead of dispatching the physical postal ballot form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members.

The instructions for members for voting electronically are as under:

- The voting period begins on 29th December, 2018 at 9.00 a.m. and ends on 28th January, 2019 at 5:00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st December, 2018 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.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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).

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(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 linked in the login 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 favour 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**.

Annexure to Notice

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

In accordance with applicable provisions of the Companies Act, 2013 ("Act") and Rules made there under the Explanatory Statement contains relevant and material information to enable the Members holding equity shares of the Company to consider and approve the Special Resolution of terms of remuneration to Shri Ashish U. Bhuta (DIN: 00226479), the Chairman and Managing Director of the Company.

Shri Ashish U. Bhuta's appointment as the Chairman and Managing Director of the Company and his terms of remuneration for a period of three years from 1st April, 2018 to 31st March, 2021 were approved by the members at the 32nd Annual General Meeting (AGM) held on 31st July, 2017, which was subject to the approval of Ministry of Corporate Affairs, Central Government (MCA).

As required, the Company submitted its application to the MCA for their necessary approval in this regard.

Subsequently, while the application was under process with the MCA, provisions of Section 197 and Schedule V of the Companies Act, 2013 were amended and made effective vide MCA's notification number S.O. 4823(E) and S.O. 4822(E), both dated 12th September, 2018, as a part of the Companies (Amendment) Act, 2017.

These amendments effectively omitted the requirements of obtaining approval of the MCA, for the appointment and payment of remuneration to the managerial personnel. Your Company is in receipt of a letter no SRN G87956207/2018-CL-VII dated 23rd October, 2018 from the MCA, categorically stating that the above referred application of the Company pending with them for their approval, stand abated. This effectively means that no action will be taken by MCA on the Company's application, pursuant to the said amendments to the Companies Act, 2013.

Hence, in view of the above, although through a special resolution the Chairman and Managing Director's appointment and terms of remuneration were approved by the members with the special majority at the 32nd AGM held on 31st July, 2017, as stated above, the present resolution is proposed to seek members approval to authorize partial amendment to the said resolution with the limited purpose of seeking the re-affirmation / approval of members in terms of amended provisions of the Companies Act, 2013, for the terms of remuneration to Shri Ashish U. Bhuta, for the period from 12th September, 2018 (the date of amendments) to 31st March, 2021. Such a re-affirmation/approval does not require Central Government's approval and only Members' approval is necessary. It may also be noted that his terms of remuneration as mentioned in the proposed Special Resolution has been the same or unchanged from said previous Special Resolution passed at the 32nd AGM.

The Nomination and Remuneration Committee and the Board at their respective meetings held on 30th October, 2018 have respectively recommended and approved, consequent upon the amendments of the Section 197 and Schedule V of the Act, by the Companies (Amendment) Act 2017 read with MCA's circulars dated 12th September, 2018 and the applicable Rules under the Act, to propose the present resolution to the Members of the Company for their approval.

Shri Ashish U. Bhuta's terms of remuneration is in conformity with the provisions of Section 197 and Schedule V of the Act and rules made there under and all other applicable provisions of the said Act, as amended, from time to time, and in accordance to the applicable provisions of the Articles of Association of the Company. According to the amended Section II, part II of the schedule V which deals with the remuneration payable by Companies having no or inadequate profits, inter alia, the payment of remuneration to managerial personnel in excess of the limits specified therein, is allowed, if the company passes a Special Resolution and that no approval of Central Government is required in this regard.

His terms of appointment and remuneration as set out herein below will be subject to requisite consent of the Members. He does not draw remuneration from any other Company.

The Company has not committed any default in repayment of any dues to the banks/ public financial institution of its debt (including public deposits) or debentures or any other secured creditors.

The Board recommends the Special Resolution proposed for the modification of previous resolution passed at 32nd Annual General Meeting held on 31st July, 2017, in respect of the terms of remuneration of Shri Ashish U. Bhuta, Chairman and Managing Director, for the period from 12th September, 2018 to 31st March, 2021. His remuneration for the period from 1st April to 11th September, 2018 will be in accordance to the previous approval of MCA, which was for a term up to 31st March, 2017.

Shri Ashish U. Bhuta is considered to be interested in the resolution as set out in the postal ballot notice. His relatives may be deemed to be interested in this resolution to the extent of their shareholdings, if any, in the Company.

None of the other Directors or Key Managerial Personnels of the Company or their relatives are concerned or interested, financially or otherwise in the resolution.

Terms of Remuneration of Shri Ashish U. Bhuta, Chairman and Managing Director and KMP:

- A. Salary: Up to Rs. 24,00,000/- (Rupees Twenty Four Lac only) per month, with an annual increment effective from the 1st April every year. The Board and/or the Nomination and Remuneration Committee of the Company shall have power to decide and approve the salary, within above stated limit, during the tenure.
- B. Commission: Maximum Commission up to 3% of the net profit of the Company in a financial year, payable yearly, as computed in terms of section 198 of the Act. The Board and/or the Nomination and Remuneration Committee of the Company shall have the power to decide and approve the commission, within the above stated limit, during the tenure.
- C. Contribution to Provident Fund and Superannuation Fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.
- D. Gratuity payable under the payment of Gratuity Act, 1972.
- E. Perquisites and Allowances: In addition to Salary and Commission, the Chairman and Managing Director shall be entitled to the following perquisites and allowances: (1) House Rent Allowances at 30% of the basic salary; (2) Utilisation of gas and electricity at residences; (3) Telephones at residences and mobile phones for official use; (4) Furnishing and repairs at residences; (5) Medical reimbursement for self and family; (6) Cars with services of drivers for official use; (7) Leave travel allowance; (8) Club Membership fees; (9) Medical insurance for self and family; (10) Reimbursement of expenses incurred for the business purpose and (11) All such other perquisites, benefits and allowances under the schemes / rules as applicable to the other employees of the Company, the total remuneration being within the ceiling prescribed by the provisions of the Companies Act, 2013.

Brief Profile of Shri Ashish U. Bhuta:

Shri Ashish U. Bhuta is one of the promoters of the Company, and son of founder promoter Shri Uttam N. Bhuta. He has masters degree in Finance Management and postgraduate diploma in Patent Law & Practice. He has gained immense experience in operations, purchase, manufacturing, marketing, finance, etc. by working across all sectors and departments of the company since 1994. Shri Ashish U. Bhuta has many achievements to his credits like obtaining ISO 9002 and WHO GMP Certification for the Plant, setting up a R&D unit approved by the Central Government and International Business Department to foray in to new countries. He is also shouldering responsibilities of selecting talent for the Company and overall supervision of operations and departments of finance, purchase, manufacturing, marketing and human resources development along with developing various strategies and their implementation. He has coordinated commissioning of Sihor plant and the formulation development center at Sihor and has established Batch Costing System, precise MIS system at senior level and budgeting system in the Company. He is also responsible for computerization of the organization including commissioning Company's own developed Q-logie TM a supply chain software and setting up of ERP system. He is part of the team to decide new products, expansion of territories and appointment of Distributors / Agents in India and abroad. He created and is still very active in the development of the cross functional team-QUEST & QUEST-II.

Shri Ashish U. Bhuta is the member of the Corporate Social Responsibility Committee.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):

I. General Information:

1. Nature of Industry: The Company is the manufacturer and marketer of large basket of branded pharmaceutical formulations, for it's domestic and international markets. The Company has a well established position in the Indian Pharmaceuticals Industry. It's plant is located at Sihor, Gujarat.
2. Date of Commencement of Commercial Production: The Company was incorporated on 10.06.1985.
3. Financial Performance based on Given Indicators: The financial data as per last three audited financial statements are as under:

Particulars	F. Y. ended 31.03.2018	F.Y. ended 31.03.2017	F.Y. ended 31.03.2016
Total Income	11807	10626	9768
Profit Before Depreciation, Tax & Finance Cost	2718	2268	1920
Net Profit after Tax	1721	1351	1078
Export Income (included in total income)	1401	1404	1262

4. Foreign Investments or Collaborators: The Company does not have any foreign investment or collaboration.

II. Information about the Appointee:

1. Background Details: Shri Ashish U. Bhuta is one of the Promoters of the Company. He is a Bachelor of commerce and masters degree in Finance Management and postgraduate diploma in Patent Law & Practice. He was first appointed in the Company on 01st June, 1994 and since then has worked at several levels and across various departments of the company and was elevated as Vice President on 01st April, 1997, as Senior Vice President on 01st April, 2006 and as the Whole Time Director on 02nd June, 2007. He is instrumental in setting up the best practices in Cost Accounting systems, as a result of which the Company received prestigious National Award, ranked as "FIRST" from ICWAI, New Delhi under the category of Small Industries, for consecutive two years. He is also instrumental, inter alia, in setting up R&D unit of the Company, installing ERP system, obtaining WHO-GMP certificate for the plant at Sihor.

For further details about him, kindly refer to the section of Brief Profile and Recognition or Awards mentioned herein.

Currently Ashish U. Bhuta holds 261127 equity shares of the Company.

2. Past Remuneration drawn: for F.Y. 2017-18 Rs.125.22 lac, for F.Y. 2016-17 Rs.110.35 lac and for F.Y. 2015-16 Rs. 97.43 lac per annum.
3. Recognition or Awards: Shri Ashish U. Bhuta has co-ordinated the commissioning of Sihor Plant, led the team to achieve ISO 9002, WHO GMP Certification, setting up and procuring approval of Central Government for R&D unit and winning two consecutive National Awards ranked "FIRST" from ICWAI. He was awarded the best mooter and also achieved moot court team award, at the moot court competition in Patent Law held by IIPS.
4. Job Profile and Suitability: Shri Ashish U. Bhuta, exercises substantial executive power, under the control and direction of the Board of the company. He is responsible for overall operation and working affairs of the Company. He is managing under his direct control the core functional departments of the Company viz. purchase, production, marketing, accounts, finance, information technology, human resource development, R & D and international business. Considering his vast experience and deep knowledge of pharmaceutical business, visionary leadership and ability to skillfully co-ordinate all the departments for the growth of the company, he is best suitable for the responsibility assigned by the Board as the Chairman and Managing Director and the remuneration proposed commensurate with his job profile and is fully justified.
5. Remuneration proposed: Salary up to Rs. 24 lac, per month (excluding perquisites and allowances), commission @ 3% of the net profit of the Company and perquisites, as mentioned in the resolution, subject to the terms of agreement and discretion of the Board and/or Nomination and Remuneration Committee thereof.
6. Comparative Remuneration in the Industry: Remuneration as proposed to Shri Ashish U. Bhuta is provided herein above was as recommended by the Nomination and Remuneration Committee and confirmed by the Board of Directors of the Company, at their respective meetings held on 30th May, 2017 and 30th October, 2018. The same is found to be most competitive in quantum, considering the nature / size of the industry, the specialty of services rendered by Shri. Ashish U. Bhuta and the complex role performed by him, as stated herein. His remuneration is most competitive in reference to other comparable sized Companies in the Pharmaceutical Industry.
7. Pecuniary Relationship: Shri Ashish U. Bhuta does not have any direct or indirect pecuniary relationship with the Company, except his remuneration and dividend on his shareholding along with the shareholdings of his relatives and other promoter. Currently, he holds 261127 equity shares of the Company. He is not related to any other director or key managerial personnel of the Company.

III. Other information:

1. Reason for inadequate Profit: The Company was incorporated in the year 1985 and falls under SME Sector. The Company is yet to reach to its optimum manufacturing capacity. In addition, the factors like the ever increasing cost of material, manufacturing, marketing and administrative expenditures, plant and product registration at various countries, R&D activities, fluctuations in foreign currency rates and stiff competition in domestic as well as the foreign market have also put pressure on the profitability of the Company. Few products of the Company are under DPCO, which has ceiling on the selling price. On account of the above, the Company expect loss or inadequacy of profits, in pursuance to Section 198 of the Companies Act, 2013, so far it refers to payment of managerial remuneration.
2. Steps taken or proposed to be taken for improvement: The Company has its WHO GMP compliant plant, which is also approved under Schedule-M. The Company is focusing on product development through its own R&D unit and on exports vide its International Business division and expects to register adequate bottom line growth in years to come. The Company is taking every possible steps to increase the business volume and thereby achieving adequate profitability.
3. Expected increase in profits in measurable terms: Considering the nature of business of the Company, it is not possible to ascertain and quantify the expected increase in profits in next three financial years. The Company expect to better its profitability in next three financial year, as compared to its profitability achieved in past three financial years, by taking effective steps as stated above.

IV. Disclosures:

1. The details regarding the remuneration package etc. of all the other Directors: The remuneration of other directors are disclosed in the Corporate Governance section of annual report of 2017-18.
2. The Company has not issued any stock option.

By order of the Board,
For Jenburkt Pharmaceuticals Ltd.

Ashish R. Shah
Company Secretary.

Place: Mumbai

Date: 10th December, 2018.