



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

Registered Office : Neelam Centre, 'B' Wing, 4th Floor, Hind Cycle Road, Worli, Mumbai 400 030.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF J. B. CHEMICALS & PHARMACEUTICALS LIMITED WILL BE HELD ON WEDNESDAY, AUGUST 14, 2013 AT RAMA WATUMULL AUDITORIUM, K.C. COLLEGE, DINSHAW WACHA ROAD, CHURCHGATE, MUMBAI 400 020 AT 3.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as at March 31, 2013, the profit and loss account for the year ended on that date together with the reports of the board of directors and the auditors thereon.
2. To declare a dividend on equity shares for the year ended on March 31, 2013.
3. To appoint a director in place of Dr. Niranjana N. Maniar, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Rajiv C. Mody, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Pranabh Mody, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint auditors and to fix their remuneration, and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT M/s. J. K. Shah & Co., Chartered Accountants, having firm registration number 109606W, be and are hereby re-appointed as auditors of the company, to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company on such remuneration as fixed by the board of directors of the company."

SPECIAL BUSINESS:

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

"RESOLVED THAT, pursuant to the provisions of Schedule XIII to the Companies Act, 1956 and further to the resolution passed at the annual general meeting held on July 23, 2010, the remuneration payable to Mr. Jyotindra B. Mody, Chairman & Managing Director of the company for 3 (three) financial years from 2013-14 to 2015-16 in terms of agreement dated May 6, 2010 (or as revised by the board of directors) approved by the members at annual general meeting held on July 23, 2010, be paid to him, subject to approval of the Central Government, as minimum remuneration during three financial years viz. 2013-14, 2014-15 and 2015-16 in the event of no profits or

inadequacy of profits in the said financial year(s) during the tenure of Mr. Jyotindra B. Mody as managing director of the company."

8. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Schedule XIII to the Companies Act, 1956 and further to the resolution passed at the annual general meeting held on July 23, 2010, the remuneration payable to Mr. Dinesh B. Mody, Whole time director (Administration) of the company for 3 (three) financial years from 2013-14 to 2015-16 in terms of agreement dated May 6, 2010 (or as revised by the board of directors) approved by the members at annual general meeting held on July 23, 2010, be paid to him, subject to approval of the Central Government, as minimum remuneration during three financial years viz. 2013-14, 2014-15 and 2015-16 in the event of no profits or inadequacy of profits in the said financial year(s) during the tenure of Mr. Dinesh B. Mody as Whole time director (Administration) of the company."

9. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Schedule XIII to the Companies Act, 1956 and further to the resolution passed at the annual general meeting held on July 23, 2010, the remuneration payable to Mr. Shirish B. Mody, Whole time director (Marketing) of the company for 3 (three) financial years from 2013-14 to 2015-16 in terms of agreement dated May 6, 2010 (or as revised by the board of directors) approved by the members at annual general meeting held on July 23, 2010, be paid to him, subject to approval of the Central Government, as minimum remuneration during three financial years viz. 2013-14, 2014-15 and 2015-16 in the event of no profits or inadequacy of profits in the said financial year(s) during the tenure of Mr. Shirish B. Mody as Whole time director (Marketing) of the company."

10. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Schedule XIII to the Companies Act, 1956 and further to the resolution passed at the annual general meeting held on July 25, 2011, the remuneration payable to Mr. Bharat P. Mehta, Whole time director (Planning & Development) of the company for 3 (three) financial years from 2013-14 to 2015-16 in terms of agreement dated May 24, 2011 (or as revised by the board of directors) approved by the members at annual general meeting held on July 25, 2011, be paid to him, subject to approval of the Central Government, as minimum remuneration during three financial years viz. 2013-14, 2014-15 and 2015-16 in the event



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NOTICE (CONTD..)

of no profits or inadequacy of profits in the said financial year(s) during the tenure of Mr. Bharat P. Mehta as Whole time director (Planning & Development) of the company."

11. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Schedule XIII to the Companies Act, 1956 and further to the resolution passed at the annual general meeting held on July 25, 2011, the remuneration payable to Mr. Pranabh Mody, President & Whole time director (Operations) for 3 (three) financial years from 2013-14 to 2015-16 in terms of agreement dated May 24, 2011 (or as revised by the board of directors) approved by the members at annual general meeting held on July 25, 2011, be paid to him, subject to approval of the Central Government, as minimum remuneration during three financial years viz. 2013-14, 2014-15 and 2015-16 in the event of no profits or inadequacy of profits in the said financial year(s) during the tenure of Mr. Pranabh Mody as President & Whole time director (Operations) of the company."

12. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Schedule XIII to the Companies Act, 1956 and further to the resolution passed at the annual general meeting held on July 25, 2011, the remuneration payable to Mr. Kamlesh L. Udani, Executive director (Technical & Production) for 3 (three) financial years from 2013-14 to 2015-16 in terms of agreement dated May 24, 2011 (or as revised by the board of directors) approved by the members at annual general meeting held on July 25, 2011, be paid to him, subject to approval of the Central Government, as minimum remuneration during three financial years viz. 2013-14, 2014-15 and 2015-16 in the event of no profits or inadequacy of profits in the said financial year(s) during the tenure of Mr. Kamlesh L. Udani as Executive director (Technical & Production) of the company."

Registered office:
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By Order of the Board of Directors

Place : Mumbai
Date : May 24, 2013

M. C. Mehta
Company Secretary -
General Manager

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The explanatory statement setting out material facts concerning the special business mentioned under item nos. 7 to 12 of the notice, as required under section 173(2) of the Companies Act, 1956, is annexed hereto.
3. Members/Proxies, who attend the meeting, are requested to complete the attendance slip and deliver the same at the entrance of the meeting hall.
4. The register of members and share transfer books of the company will remain closed from Saturday, August 3, 2013 to Wednesday, August 14, 2013 (both days inclusive).
5. A member receiving notice/accounts through e-mail will be furnished physical copy thereof on request.
6. Pursuant to clause 49 of the listing agreement, a brief profile of the directors seeking re-appointment is given hereunder.

Dr. Niranjan N. Maniar

Dr. N. N. Maniar, 77, has done his M.B.B.S. and has been practicing for over 50 years. He does not hold directorship in any other company.

Mr. Rajiv C. Mody

Mr. Rajiv Mody, 55, has obtained his Bachelor's degree in Electrical Engineering from M.S. University, Baroda, India and Master's degree in Computer Science from Brooklyn Polytechnic, New York, USA. He is the Chairman and CEO of Sasken Communication Technologies Ltd. Under his able leadership, over the last two decades, Sasken has grown to become a major technology and solution provider to tier-1 customers across the telecom value chain. He is a seasoned technocrat and an industry veteran and has worked with corporations like AMD, Seattle Tech Inc., and VLSI Technology Inc., prior to founding Sasken. His expertise lies in design, development and integration of physical design tools for Gate-Array and Standard Cell Design Styles.

He was awarded the "Technovator of the Year 2007" by VOICE&DATA, a leading technology publication. He also served as an Executive Council Member of NASSCOM (2001 - 2008).



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

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NOTICE (CONTD..)

He is also a member on the board of Sasken Communication Technologies Ltd., Sasken Network Engineering Ltd. and Centum Electronics Ltd. and ConnectM Technology Solutions Pvt. Ltd. He is also a member of Share Transfer & Investor Grievance committee of Sasken Communication Technologies Ltd.

Mr. Pranabh Mody

Mr. Pranabh Mody, 49, obtained his Bachelor Degree in Pharmacy from Pioneer Institute of Pharmacy in Mumbai, i.e. Bombay College of Pharmacy in the year 1984. He also obtained his Masters in Business Administration from Oakland University, USA in the year 1986. He also completed an Executive Education Program from Harvard University in USA in the year 1995. He joined J. B. Chemicals & Pharmaceuticals Ltd. in 1986.

Mr. Pranabh Mody has to his credit around 23 years of experience of which, 18 years has been in the pharmaceutical industry with J. B. Chemicals & Pharmaceuticals Limited. During this period, Mr. Pranabh Mody was instrumental in establishing the computer setup in the company, which have resulted in greater efficiency, controls and savings for the company.

His association with the company has been a long one which goes as way back as the early 90's at a board level. Mr. Pranabh Mody has taken up new challenges as a President & Whole time Director (Operations). He took up Strategic Business Planning & Development as his main profile. He has also taken up the Domestic marketing profile on his able shoulders.

He is also a member on the board of Sasken Communication Technologies Ltd., Unique Pharmaceutical Laboratories Ltd., Ifunik Pharmaceuticals Ltd., Biotech Laboratories (Pty.) Ltd., South Africa, in addition to several other private limited companies. He is also a member of audit committee of Sasken Communication Technologies Ltd.

7. Mr. Pranabh Mody, whose re-appointment is placed before the members, is son of Mr. D. B. Mody, Whole time director (Administration) of the company.

8. Members holding shares in physical form are requested to notify the change, if any, in their address and bank mandate details to the company's Registrars and Share Transfer Agent. The members holding shares in the dematerialized form are requested to ensure that the bank account linked to their depository participant account is operative.
9. The final dividend for the year 2005-06 will become due for transfer to Investor Education and Protection Fund ("IEPF") in August 2013. The members who have not encashed their dividend are requested to approach the company. After transfer of the unclaimed dividend to IEPF, no claim shall thereafter lie against the company or the said fund.
10. The members, who have not yet exchanged certificate(s) of shares of face value of ₹ 10 against certificates of shares of face value of ₹ 2, consequent to reduction in the face value from ₹ 10 to ₹ 2, are requested to approach the company's Registrars and Share Transfer Agent.
11. The members now have an option to receive notice of general meeting and accounts in electronic form through e-mail as a result of 'Green Initiative' taken by the Ministry of Corporate Affairs. The members are therefore requested to support this initiative and provide their e-mail address to their depository participant (in case of dematerialized shares) or the company (in case of physical shares). The members, who have so registered their e-mail address, are requested to notify change therein from time to time to depository participant/company. The members may notify their e-mail address and any change therein to the company by e-mail addressed to secretarial@jbcpl.com.

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By Order of the Board of Directors

Place : Mumbai

Date : May 24, 2013

M. C. Mehta
Company Secretary -
General Manager



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ANNEXURE TO NOTICE

Explanatory statement as required under section 173(2) of the Companies Act, 1956.

Item Nos. 7, 8 and 9:

The shareholders of the company, by special resolution passed at annual general meeting held on July 23, 2010 approved the re-appointment of and remuneration payable to Mr. Jyotindra B. Mody, Chairman & Managing Director, Mr. Dinesh B. Mody, Whole time director (Administration) and Mr. Shirish B. Mody, Whole time director (Marketing) of the company for a period of five (5) years from November 1, 2010 *inter alia* in terms of the agreement dated May 6, 2010 entered into with each of the said directors. The shareholders, by resolution passed at the same annual general meeting also approved payment of the approved remuneration as minimum remuneration to Mr. Jyotindra B. Mody, Mr. Dinesh B. Mody and Mr. Shirish B. Mody for three financial years commencing from 2010-11 in the event of no profits or inadequacy of profits during those financial year(s).

The remuneration approved by the members on July 23, 2010 for payment to each of the said directors include (i) monthly salary of ₹ 9,50,000 with increment of 12% in basic salary every year on time scale basis (ii) commission not exceeding 3% of net profits, as approved by the Remuneration committee and the board of directors (iii) perquisites and allowances, in aggregate, one hundred twenty five percent of the annual basic salary, and (iv) contribution to provident fund and superannuation fund not exceeding 27% of the basic salary or such other rate as may be prescribed by the Government from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.

Pursuant to Schedule XIII to the Companies Act, 1956 and subject to the approval of the Central Government, the company now seeks approval of the members to the payment of remuneration already approved by the members (in terms of the special resolution passed on July 23, 2010) for three financial years from 2013-14 to 2015-16 as minimum remuneration to each of Mr. Jyotindra B. Mody, Mr. Dinesh B. Mody and Mr. Shirish B. Mody during three financial years from 2013-14 to 2015-16 in the event of no profits or inadequacy of profits during the said financial year(s).

The remuneration committee and the board of directors have approved the payment of minimum remuneration as aforesaid to these executive directors for three financial years from 2013-14 to 2015-16 at its respective meeting held on May 24, 2013.

The board of directors recommends the resolution set out under item nos. 7 to 9 for approval by the members of the company.

Mr. Jyotindra B. Mody, Mr. Dinesh B. Mody and Mr. Shirish B. Mody may be regarded as concerned or interested in the resolution set out under item no. 7 to 9 respectively as it relates to their own remuneration. Each of them may also be considered concerned or interested in the resolution pertaining payment of minimum remuneration to others as each of them is related as brothers. Mr. Bharat P. Mehta, director, may be considered as concerned or interested in the resolution pertaining to payment of minimum remuneration to Mr. Jyotindra B. Mody, Chairman & Managing

Director, as he is related to him as son-in-law. Mr. Pranabh Mody, director, may be considered as concerned or interested in the resolution pertaining to payment of minimum remuneration to Mr. Dinesh B. Mody, Whole time director (Administration) as he is related to him as son. None of the other directors is in any way concerned or interested in the resolution set out under item nos. 7 to 9 of the notice.

The information in terms of proviso (iv) to sub-paragraph (C) of paragraph 1 of section II of part II of Schedule XIII to the Companies Act, 1956 is given in the annexure hereunder.

Item Nos. 10 and 11:

The shareholders of the company, by special resolution passed at annual general meeting held on July 25, 2011 approved the re-appointment of and remuneration payable to Mr. Bharat P. Mehta and Mr. Pranabh D. Mody as Whole time director (Planning & Development) and President & Whole time director (Operations) respectively of the company for a period of five (5) years from July 1, 2011 *inter alia* in terms of the agreement dated May 24, 2011 entered into with each of the said directors. The shareholders, by resolution passed at the same annual general meeting also approved payment of the approved remuneration as minimum remuneration to Mr. Bharat P. Mehta and Mr. Pranabh Mody for three financial years commencing from 2011-12 in the event of no profits or inadequacy of profits during those financial year(s).

The remuneration approved by the members on July 25, 2011 for payment to each of the said directors include (i) monthly salary of ₹ 5,09,000 with increment of 12.50% in basic salary every year on time scale basis (ii) perquisites and allowances, in aggregate, one hundred percent of the annual basic salary, and (iii) contribution to provident fund and superannuation fund not exceeding 27% of the basic salary or such other rate as may be prescribed by the Government from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.

Pursuant to Schedule XIII to the Companies Act, 1956 and subject to the approval of the Central Government, the company now seeks approval of the members to the payment of remuneration already approved by the members (in terms of the special resolution passed on July 25, 2011) for three financial years from 2013-14 to 2015-16 as minimum remuneration to each of Mr. Bharat P. Mehta and Mr. Pranabh Mody during three financial years from 2013-14 to 2015-16 in the event of no profits or inadequacy of profits during the said financial year(s).

The remuneration committee and the board of directors have approved the payment of minimum remuneration as aforesaid to the said directors for three financial years from 2013-14 to 2015-16 at its respective meeting held on May 24, 2013.

The board of directors recommends the resolution set out under item nos. 10 and 11 for approval by the members of the company.

Mr. Bharat P. Mehta and Mr. Pranabh D. Mody may be regarded as concerned or interested in the resolution set out under item no. 10 and 11 respectively as it relates to their remuneration. Mr. Jyotindra



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

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ANNEXURE TO NOTICE (CONTD..)

B. Mody, Chairman & Managing Director, may be considered as concerned or interested in the resolution pertaining to payment of minimum remuneration to Mr. Bharat P. Mehta as he is related to him as father-in-law. Mr. Dinesh B. Mody, Whole time director (Administration) may be considered as concerned or interested in the resolution pertaining to payment of minimum remuneration to Mr. Pranabh Mody as he is related to him as father. None of the other directors is in any way concerned or interested in the resolutions set out under item no. 10 and 11 of the notice.

The information in terms of proviso (iv) to sub-paragraph (C) of paragraph 1 of section II of part II of Schedule XIII to the Companies Act, 1956 is given in the annexure hereunder.

Item No. 12:

The shareholders of the company, by special resolution passed at annual general meeting held on July 25, 2011 approved the re-appointment of and remuneration payable to Mr. Kamlesh L. Udani as Executive director (Technical & Production) of the company for a period of five (5) years from July 1, 2011 *inter alia* in terms of the agreement dated May 24, 2011 entered into with him. The shareholders, by resolution passed at the same annual general meeting also approved payment of the approved remuneration as minimum remuneration to Mr. Kamlesh Udani for three financial years commencing from 2011-12 in the event of no profits or inadequacy of profits during those financial years.

The remuneration approved by the members on July 25, 2011 for payment to Mr. Kamlesh Udani include (i) monthly salary of ₹ 3,01,000 with increment of 12.50% in basic salary every year on time scale basis (ii) perquisites and allowances, in aggregate, one hundred percent of the annual basic salary, and (iii) contribution to provident fund and superannuation fund not exceeding 27% of the basic salary or such other rate as may be prescribed by the Government from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.

(3) Financial performance of last five years based on given indicators

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Revenue from Operations (Net)	81,642.25	68,642.13	78,757.94	67,006.45	72,315.53
Other Income	2,596.07	2,851.19	2,499.40	1,726.39	1,496.57
Total Income	84,238.32	71,493.32	81,257.34	68,732.84	73,812.10
PBDIT	13,738.23	9,270.99	17,452.03	15,346.97	12,704.31
Finance Cost / Interest	524.18	2,177.69	1081.61	1130.30	1,488.97
Depreciation & Amortisation	2,439.58	2,230.40	2,265.08	2,122.25	2,037.26
Profit before exceptional item & tax	10,774.47	4,862.90	14,105.34	12,094.42	9,178.08
Exceptional item - Net Income on Sale of Russia-CIS OTC Business	-	76,059.34	-	-	-
PAT	8,493.85	80,922.24	11,819.46	10,099.73	7,873.62
Equity Capital	1,694.15	1,694.15	1,690.34	1,686.53	1,686.53
EPS (₹)(Face value of equity share ₹ 2)	10.03	75.95	14.00	11.98	9.34
Dividend (%)	150	*2050	100	100	50

* Includes special interim dividend of ₹ 40 per equity share of ₹ 2 (2000%).

Pursuant to Schedule XIII to the Companies Act, 1956 and subject to the approval of the Central Government, the company now seeks approval of the members to the payment of remuneration already approved by the members (in terms of the special resolution passed on July 25, 2011) for three financial years from 2013-14 to 2015-16 as minimum remuneration to Mr. Kamlesh L. Udani during three financial years from 2013-14 to 2015-16 in the event of no profits or inadequacy of profits during the said financial year(s).

The remuneration committee and the board of directors have approved the payment of minimum remuneration as aforesaid to Mr. Kamlesh L. Udani for 3 (three) financial years from 2013-14 to 2015-16 at its respective meeting held on May 24, 2013.

The board of directors recommends the resolution set out under item no. 12 for approval by the members of the company.

Mr. Kamlesh L. Udani may be regarded as concerned or interested in the resolution set out under item no. 12 as it relates to his own remuneration. None of the other directors is in any way concerned or interested in the resolution set out under item no. 12 of the notice.

The information in terms of proviso (iv) to sub-paragraph (C) of paragraph 1 of section II of part II of Schedule XIII to the Companies Act, 1956 is given in the annexure hereunder.

ANNEXURE

I. GENERAL INFORMATION:

(1) Nature of Industry

Pharmaceutical. The company manufactures pharmaceutical formulations, herbal preparations, bulk drugs and intermediates.

(2) Date of commencement of commercial production

March, 1985

(₹ in lakhs)



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

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ANNEXURE TO NOTICE (CONTD..)

(4) Export performance and net foreign exchange collaborations

(₹ in lakhs)

Year	Exports
2012-13	47,387.23
2011-12	33,081.19
2010-11	48,880.87
2009-10	41,895.83
2008-09	44,809.44

During the aforesaid five years, the company did not enter into any foreign collaboration.

(5) Foreign investments or collaborators, if any

The company has no foreign investments or collaboration except the investments as under made in four wholly owned subsidiary companies as on 31st March, 2013:

Name of the Company	(₹ in lakhs)
OOO Unique Pharmaceutical Laboratories, Moscow.	1,250.30
J. B. Healthcare Pvt. Ltd. Jersey.	2,322.30
J. B. Chemicals & Pharmaceuticals Private Limited, Singapore.	7.06
LLC Unique Pharmaceutical Laboratories, Ukraine.	19.01

INFORMATION ABOUT THE APPOINTEE:

Mr. Jyotindra B. Mody – Chairman & Managing Director

(1) Background details

Mr. Jyotindra B. Mody, a visionary & pioneer, is the founder promoter of J. B. Chemicals & Pharmaceuticals Ltd., the flagship of Unique Group of Companies. He was Vice Chairman of CHEMEXCIL (Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council) from 1988 to 1993 and Chairman for two years from September 1994 to September 1996. He is one of the founder members of Indian Drug Manufacturers' Association (IDMA) and was its President for 2 years from 1983 to 1985.

Mr. J. B. Mody has been associated with the Pharmaceutical Industry when it was in its infancy stage when its turnover in the 50's was hardly ₹ 50 crores, which today has risen to the level of about ₹ 61,000 crores. His knowledge on the development of the drug industry and the turmoil it has gone through, the various Price Controls, development of the industry with the introduction of the process patent from 1970s and its functioning and growth prospects is immense. He is today looked upon as a doyen of the industry and is consulted on the various important matters affecting the industry.

He has also contributed significantly to the development of the drugs and drug intermediates, by encouraging indigenous research and saving for the country a huge foreign exchange.

(2) Past remuneration

The total remuneration of Mr. Jyotindra B. Mody for the year 2012-13 was ₹ 360.36 lakhs.

(3) Recognition or awards

Mr. Jyotindra B. Mody was associated as a Member of the National Development Council for Drugs & Pharmaceuticals, Ministry of Industrial Approvals and Ministry of Chemicals & Fertilizers. He was one of the Members of the Working Group for Industrial Approvals, Ministry of Chemicals & Fertilizers. He was also associated with Import Export Committee - 7th Five Year Plan.

(4) Job profile and his suitability

Mr. Jyotindra B. Mody is responsible for the overall conduct and management of business and affairs of the company. This includes development of domestic and international business, providing strategic direction to business units of the company, review of product portfolio in light of patent laws and prevailing competition, enhancement of efficiencies and rationalization of costs. Mr. Jyotindra B. Mody has been Chairman & Managing Director of the company since inception and founder promoter of the company. Under his leadership all these years, the company has grown to its present level and has been successful in creating and increasing stakeholder value. This coupled with his strong resources management capability and in-depth knowledge of pharmaceutical industry world wide makes him fully suitable for the position.

(5) Remuneration proposed

The minimum remuneration proposed, in the event of no profits or inadequate profits during financial years 2013-14 and 2014-15 is ₹ 4,03,60,772 and ₹ 4,52,04,078 respectively. The term of the present appointment of Mr. Jyotindra B. Mody expires on 1-11-2015. The remuneration for part of the year up to 31-10-2015 is ₹ 2,95,33,334. This remuneration is as per the special resolution passed by the members on July 23, 2010. The above remuneration comprise of basic salary, allowances and perquisites and contribution to provident fund and superannuation fund as per rules of the company.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The company has net worth of ₹ 1,009 crores and is listed on National stock exchange and Bombay stock exchange. The company earned total revenues of ₹ 842.38 crores in the year 2012-13. The company has 10 plants. The company manufactures formulations of various dosage forms and bulk drugs. The company also undertakes contract product development and site transfer manufacturing activity on the back of strong R & D division. The company had work force of 2,425 people as on March 31, 2013. Given this size, complexity and sheer knowledge driven nature of the business, and also profile of the position and Mr. Jyotindra B.



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ANNEXURE TO NOTICE (CONTD..)

Mody as given above, the proposed remuneration is in line with remuneration prevalent in the pharmaceutical industry for companies with similar size, complexity and profile of the position and position holder.

The minimum remuneration proposed as above has been approved by the Remuneration Committee at its meeting held on May 24, 2013, keeping in view financial position of the company, trend in the industry, appointee's experience, vast and rich knowledge of the business, past performance, past remuneration, etc. The board of directors of the company has also approved of the payment of this minimum remuneration at its meeting held on May 24, 2013.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Jyotindra B. Mody has no pecuniary relationship directly or indirectly with the company except to the extent of his remuneration and shareholding in the company. He is related to Mr. Dinesh B. Mody and Mr. Shirish B. Mody as brother. He is related to Mr. Bharat P. Mehta, Whole time director (Planning & Development) as father-in-law.

Mr. Dinesh B. Mody – Whole time director (Administration)

- (1) Background details

Mr. Dinesh B. Mody is having experience of more than four decades in pharmaceutical industry. He was elected as the President of Indian Drug Manufacturers' Association for tenure of two years – 1995–96 & 1996–97. He was the founder Chairman of the Pharmaceuticals Export Promotion Council (Pharmexcil). His keen interest in the development and advancement of the Drugs & Pharmaceutical Industry in the national sector has made him widely known not only among industry circles but also among the concerned ministries of the Government of India. He has played a significant role in bringing about satisfactory solutions to many burning problems of the industry.

- (2) Past remuneration

The total remuneration of Mr. Dinesh B. Mody during the year 2012-13 was ₹ 360.36 lakhs.

- (3) Recognition or awards

Mr. Dinesh B. Mody has always been closely involved with the export activities of the industry. His devotion and commitment to the cause of exports is amply reflected in his untiring pursuit of endeavours aimed at taking the country's exports to newer heights.

Due to outstanding efforts of Mr. Dinesh Mody, CHEMEXCIL's first award for Outstanding Export Performance of Pharmaceuticals in the Large Scale Manufacturer's category for 2000-01 was awarded to the company.

- (4) Job profile and his suitability

Mr. Dinesh B. Mody in his capacity as Whole time director

(Administration) of the company looks after the company's international business in Russia, Ukraine & CIS countries. Due to his excellent marketing abilities, the company successfully developed OTC products business in Russia-CIS region, which the company divested in 2011-12 to realize stakeholder value. His marketing skills coupled with strong knowledge about the Russian & CIS pharmaceutical market, in-depth knowledge and vast experience in marketing and distribution across that market makes him fully suitable for the position.

- (5) Remuneration proposed

The minimum remuneration proposed, in the event of no profits or inadequate profits during financial years 2013-14 and 2014-15 is ₹ 4,03,60,772 and ₹ 4,52,04,078 respectively. The term of the present appointment of Mr. Dinesh B. Mody expires on 1-11-2015. The remuneration for part of the year up to 31-10-2015 is ₹ 2,95,33,334. This remuneration is as per the special resolution passed by the members on July 23, 2010. The above remuneration comprise of basic salary, allowances and perquisites and contribution to provident fund and superannuation fund as per rules of the company.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Given the potential of exports to Russia, Ukraine & CIS countries, knowledge of the markets, complexity and sheer knowledge driven nature of the business, and also profile of the position and Mr. Dinesh B. Mody as given above, the proposed remuneration is in line with remuneration prevalent in the pharmaceutical industry for companies with similar size, complexity and profile of the position and position holder.

The minimum remuneration proposed as above has been approved by the Remuneration Committee at its meeting held on May 24, 2013, keeping in view financial position of the company, trend in the industry, appointee's experience, vast and rich knowledge of the business and the company's key markets, past performance, past remuneration, etc. The board of directors of the company has also approved of the payment of this minimum remuneration at its meeting held on May 24, 2013.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Dinesh B. Mody has no pecuniary relationship directly or indirectly with the company except to the extent of his remuneration and shareholding in the company. He is related to Mr. Jyotindra B. Mody and Mr. Shirish B. Mody as brother. He is related to Pranabh Mody, President & Whole time director (Operations) as father.

Mr. Shirish B. Mody – Whole time Director (Marketing)

- (1) Background details

Mr. Shirish B. Mody has experience of about four decades in pharmaceutical industry. He is proficient not only in the



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

Registered Office : Neelam Centre, 'B' Wing, 4th Floor, Hind Cycle Road, Worli, Mumbai 400 030.

ANNEXURE TO NOTICE (CONTD..)

technical functions such as manufacturing, quality control, research and development but also in marketing, planning and control, etc. His contribution to research and development has helped the company in developing many pharmaceutical formulations and products with novel drug delivery systems.

He was the Past President of Malabar Hill Club Ltd. (formerly known as W.I.A.A. Club Ltd.) He was also the past Vice President of Garware Club House, Churchgate, Mumbai.

(2) Past remuneration

The total remuneration of Mr. Shirish B. Mody during the year 2012-13 was ₹ 360.36 lakhs.

(3) Recognition or awards

Mr. Shirish B. Mody has successfully led research for several leading formulations of the company such as Metrogyl Denta Gel, Rantac CD Formulations and in number of Ayurvedic and Herbal preparations, bulk drugs, etc. His contribution to research and development has helped the company in developing several pharmaceutical formulations and products with novel drug delivery systems. Due to his commitment and professionalism in the area of Pharmaceuticals, Institute of Chemical Technology conferred on Mr. Shirish Mody distinguished Alumnus Technology Day Award, 2013.

(4) Job profile and his suitability

Mr. Shirish B. Mody in his capacity as Whole time director (Marketing) guides domestic marketing, distribution and is responsible for identification of new product candidate and its development and product registrations in regulated markets such as US, EU, Australia, etc. Mr. Shirish B. Mody has been associated with these activities since inception and has in-depth knowledge about domestic formulations business. Under his leadership, the company's brands such as "Rantac" and "Metrogyl" has attained and maintained leadership position. Mr. Shirish B. Mody is also leading the company's new initiatives for development of the company's business in rural market. Such experience and knowledge makes Mr. Shirish B. Mody fully suitable for the position.

(5) Remuneration proposed

The minimum remuneration proposed, in the event of no profits or inadequate profits during financial years 2013-14 and 2014-15 is ₹ 4,03,60,772 and ₹ 4,52,04,078 respectively. The term of the present appointment of Mr. Shirish B. Mody expires on 1-11-2015. The remuneration for part of the year up to 31-10-2015 is ₹ 2,95,33,334. This remuneration is as per the special resolution passed by the members on July 23, 2010. The above remuneration comprise of basic salary, allowances and perquisites and contribution to provident fund and superannuation fund as per rules of the company.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Given the growth prospects in domestic market, complexity of domestic business in the backdrop of sheer competition, high marketing skills and knowledge required for growth of domestic business, requirement of high level of regulatory knowledge for product registration in regulated markets, etc. and also profile of the position and Mr. Shirish B. Mody as given above, the proposed remuneration is in line with remuneration prevalent in the pharmaceutical industry for companies with similar size, complexity and profile of the position and position holder.

The minimum remuneration proposed as above has been approved by the Remuneration Committee at its meeting held on May 24, 2013, keeping in view financial position of the company, trend in the industry, appointee's experience, vast and rich knowledge of the business, past performance, past remuneration, etc. The board of directors of the company has also approved of the payment of this minimum remuneration at its meeting held on May 24, 2013.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Shirish B. Mody has no pecuniary relationship directly or indirectly with the company except to the extent of his remuneration and shareholding in the company. He is related to Mr. Jyotindra B. Mody and Mr. Dinesh B. Mody as brother.

Mr. Bharat P. Mehta - Whole time director (Planning & Development)

(1) Background details

Mr. Bharat P. Mehta is science graduate and has experience of more than three decades in the planning and development of new projects and production. He has successfully developed various projects of the company due to his sound technical abilities. He has over the years significantly contributed to the establishment of various factories and smooth functioning thereof. Under his supervision and leadership, the company has successfully erected and commissioned Tablet and Injection plant and Gel, Ointment & LVP's plant, both at Panoli and world class cough lozenges and tablets facility at Daman.

(2) Past remuneration

The total remuneration of Mr. Bharat P. Mehta during the year 2012-13 was ₹ 120.77 lakhs.

(3) Recognition or awards

Under his excellent leadership, the company's various state-of-the-art manufacturing facilities have received recognition from international regulatory agencies such as US FDA, MHRA-UK, TGA-Australia, ANVISA-Brazil, MCC-South Africa to name a few.



ANNEXURE TO NOTICE (CONTD..)

(4) Job profile and his suitability

Mr. Bharat P. Mehta in his capacity as Whole time director (Planning & Development) of the company is responsible for planning and commissioning of new projects, development of existing projects and supervision and direction of manufacturing at all plants of the company. Mr. Bharat P. Mehta has over three decades of experience in the area of given profile and that makes him fully suitable for the position.

(5) Remuneration proposed

The minimum remuneration proposed, in the event of no profits or inadequate profits during three financial years i.e. 2013-14, 2014-15 and 2015-16 is ₹1,75,48,093, ₹1,97,41,601 and ₹2,22,09,290 respectively. This remuneration is as per the special resolution passed by the members on July 25, 2011. The above remuneration comprise of basic salary, allowances and perquisites and contribution to provident fund and superannuation fund as per rules of the company.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Given the number of manufacturing locations of the company, need for the development and maintenance of the company's facilities in accordance with stringent standards of regulatory agencies of the regulated market, establishment of new projects in accordance with the company's strategies etc. and also profile of the position and Mr. Bharat P. Mehta as given above, the proposed remuneration is in line with remuneration prevalent in the pharmaceutical industry for companies with similar size, complexity and profile of the position and position holder.

The minimum remuneration proposed as above has been approved by the Remuneration Committee at its meeting held on May 24, 2013, keeping in view financial position of the company, trend in the industry, appointee's experience, vast and rich knowledge and experience, past performance, past remuneration, etc. The board of directors of the company has also approved of the payment of this minimum remuneration at its meeting held on May 24, 2013.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Bharat P. Mehta has no pecuniary relationship directly or indirectly with the company except to the extent of his remuneration and shareholding in the company. He is related to Mr. Jyotindra B. Mody as son-in-law.

Mr. Pranabh Mody - President & Whole time director (Operations)

(1) Background details

Mr. Pranabh D. Mody has obtained his Bachelor Degree in Pharmacy from Bombay College of Pharmacy in the year 1984 and his Masters in Business Administration from Oakland University, USA in the year 1986. He also completed

Executive Education Program from Harvard University in USA in the year 1995. He has experience of 24 years of which over 15 years has been with J. B. Chemicals & Pharmaceuticals Limited. Mr. Pranabh Mody as President & Whole time director (Operations) has significantly contributed to the overall management of the company's businesses, evolution and implementation of corporate strategies, IT systems, systems and controls, etc.

(2) Past remuneration

The total remuneration of Mr. Pranabh Mody during the year 2012-13 was ₹121.11 lakhs.

(3) Recognition or awards

Due to his immense contributions, the company's Annual Report and Accounts for the year ended March 31, 2005 ranked as second best by the Institute of Chartered Accountants of India under the category 'Manufacturing and Trading Enterprises' of the 'ICAI Awards for Excellence in Financial Reporting'.

(4) Job profile and his suitability

Mr. Pranabh Mody in his capacity as President & Whole time director (Operations) of the company is responsible for development of new markets in domestic formulations business, in addition to corporate strategies, corporate business analysis and benchmarking, corporate MIS and financial reporting process, corporate finance, IT & administration. Mr. Pranabh Mody has suitable experience in the area of his responsibilities, and that makes him fully suitable for the position.

(5) Remuneration proposed

The minimum remuneration proposed, in the event of no profits or inadequate profits during three financial years i.e. 2013-14, 2014-15 and 2015-16 is ₹1,75,48,093, ₹1,97,41,601 and ₹2,22,09,290 respectively. This remuneration is as per the special resolution passed by the members on July 25, 2011. The above remuneration comprise of basic salary, allowances and perquisites and contribution to provident fund and superannuation fund as per rules of the company.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Given the size of the company, number of people it employs, sheer knowledge required for development of new markets in domestic formulations business and also profile of the position and Mr. Pranabh Mody as given above, the proposed remuneration is in line with remuneration prevalent in the pharmaceutical industry for companies with similar size, complexity and profile of the position and position holder.

The minimum remuneration proposed as above has been approved by the Remuneration Committee at its meeting held on May 24, 2013, keeping in view financial position of the company, trend in the industry, appointee's experience, vast and rich knowledge and experience, past performance, past



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

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ANNEXURE TO NOTICE (CONTD..)

remuneration etc. The board of directors of the company has also approved of the payment of this minimum remuneration at its meeting held on May 24, 2013.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Pranabh Mody has no pecuniary relationship directly or indirectly with the company except to the extent of his remuneration and shareholding in the company. He is son of Mr. Dinesh B. Mody.

Mr. Kamlesh L. Udani – Executive director (Technical & Production)

- (1) Background details

Mr. Kamlesh L. Udani is associated with the group since 1979. He has long experience in the field of production and management of factories. He is past Chairman of IDMA-GSB, Ahmedabad and other associations. He is past President of Ankleshwar Industries Association and Founder President of Jain Social Group, Bharuch.

- (2) Past remuneration

The total remuneration of Mr. Kamlesh L. Udani during the year 2012-13 was ₹ 71.75 lakhs.

- (3) Recognition or awards

Mr. Kamlesh L. Udani was judged Best Rotarian for the year 90-92/95-96. He was awarded Rotary International for Membership Growth in 93-94. He became Paul Harris Fellow in the year 2000. He was President Rotary Club of Bharuch 96-97 and won laurels including Best President.

- (4) Job profile and his suitability

Mr. Kamlesh L. Udani in his capacity as Executive director (Technical & Production) of the company is responsible for management of all factories of the company and manufacturing activities on day-to-day basis. Given his background and experience, he is fully suitable for his given role.

- (5) Remuneration proposed

The minimum remuneration proposed, in the event of no profits or inadequate profits during three financial years i.e. 2013-14, 2014-15 and 2015-16 is ₹ 1,00,88,909, ₹ 1,13,50,019 and ₹ 1,27,68,768 respectively. This remuneration is as per the special resolution passed on July 25, 2011. The above remuneration comprise of basic salary, allowances and perquisites and contribution to provident fund and superannuation fund as per rules of the company.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Given the number of manufacturing locations of the company, number of people employed at the factories and also profile of the position and Mr. Kamlesh L. Udani as given above, the proposed remuneration is in line with remuneration prevalent in the pharmaceutical industry for companies with similar size, complexity and profile of the position and position holder.

The minimum remuneration proposed as above has been approved by the Remuneration Committee at its meeting held on May 24, 2013, keeping in view financial position of the company, trend in the industry, appointee's experience, vast and rich knowledge and experience, past performance, past remuneration, etc. The board of directors of the company has also approved of the payment of this minimum remuneration at its meeting held on May 24, 2013.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Kamlesh L. Udani has no pecuniary relationship directly or indirectly with the company except to the extent of his remuneration and shareholding in the company. He is not related to any managerial personnel.

III. OTHER INFORMATION:

- (1) Reasons of loss or inadequate profits

There has been no loss or inadequacy of profits at present. The company seeks enabling approval of the members for payment of minimum remuneration in the event of loss or inadequacy of profits during the financial year 2013-14, 2014-15 and 2015-16 during the tenure of the above the appointees.

- (2) Steps taken or proposed to be taken for improvement

The company has, during the year 12-13, taken number of performance improving measures to increase sales and reduce cost including aggressive marketing initiatives both locally and in international market on one hand and initiatives aimed at cost reduction and improving working capital efficiencies, which have yielded positive results. The company is fully focused on all measures to protect bottom line.

The company, among other measures, plans to take measures such as (1) enhanced focus on growth in sales of high margin products, both locally and internationally (2) Leveraging on the brand equity of existing products and increasing sales of existing products through investments in marketing (3) Expanding presence in new markets (4) Cost reduction and improvement in manufacturing efficiencies, and (5) use of incentive schemes for increase in productivity of field personnel. All these measures are expected to improve sales and profits of the company.

- (3) Expected increase in productivity and profits in measurable terms

With the help of above measures taken/proposed to be taken, the company expects to grow in sales by 15% and also expects to grow in profits in the three financial years from 2013-14.

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By Order of the Board of Directors

Place : Mumbai
Date : May 24, 2013

M. C. Mehta
Company Secretary -
General Manager



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ATTENDANCE SLIP

Name and address of the member and/or proxy

Reg. Folio No.

DP ID

Client ID

No. of shares held

I hereby record my presence at the thirty-seventh annual general meeting of the company being held at Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020, on Wednesday, August 14, 2013, at 3.30 p.m.

Signature of the shareholder or proxy

Please fill in the attendance slip and hand it over at the entrance of the meeting hall. Please bring your copy of the annual report for reference at the meeting.



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PROXY FORM

Reg. Folio No.

No. of Shares held

DP ID

Client ID

I/We _____ of _____ being a member/members

of J. B. CHEMICALS & PHARMACEUTICALS LTD. hereby appoint _____

of _____ or failing him _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the thirty-seventh annual general meeting of the company to be held at Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 on Wednesday, August 14, 2013, at 3.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix a
15 paise
Revenue
Stamp

Signature(s) of the shareholder(s)

NOTE :

This form duly completed and signed must be deposited at the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.

