

Laurus Labs Limited
Corporate Office
2nd Floor, Serene Chambers, Road No. 7
Banjara Hills, Hyderabad - 500034, Telangana, India
T +91 40 6659 4333, 3980 4333, 2342 0500 / 501
F +91 40 6659 4320 / 3980 4320



June 21, 2021

To The Corporate Relations Department BSE Limited Phiroz Jeejeebhoy Towers, 25 th Floor, Dalal Street Mumbai – 400001 Code: 540222	To The Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Code: LAURUSLABS
--	---

Dear Sirs,

Sub: Notice of the 16th Annual General Meeting for FY 2020-21, to be held on July 15, 2021.

Please find enclosed the Notice convening the 16th Annual General Meeting (AGM) of shareholders for the financial year 2020-21 for the AGM to be held on Thursday, July 15, 2021 at 03.00 PM (IST) through video conference (VC).

This is for your information and records.

Thanking you,

Yours sincerely,

For Laurus Labs Limited


G. Venkateswar Reddy
Company Secretary



Encl: As above



Laurus Labs Limited

Regd. Office: Plot No.21, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam – 531 021

Corp. Office: 2nd Floor, Serene Chambers, Road No.7, Banjara Hills, Hyderabad – 500 034

CIN No: L24239AP2005PLC047518

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of Laurus Labs Limited (the **Company**) will be held through Video Conferencing (VC) **at 3.00 p.m. on Thursday the July 15, 2021**, to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, the reports of Board of Directors and Auditors thereon
2. To consider and adopt the audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and report of Auditors thereon.
3. To approve and ratify the 1st interim dividend on equity shares @ ₹ 0.80 already paid for FY21.
4. To approve and ratify the 2nd interim dividend on equity shares @ ₹ 0.40 already paid for FY21.
5. To approve and ratify the 3rd interim dividend on equity shares @ ₹ 0.80 for the FY21.
6. To appoint a Director in place of Dr. Satyanarayana Chava (DIN 00211921) who retires by rotation and, being eligible, offers himself, for re-appointment.
7. To appoint a Director in place of Dr. Lakshmana Rao C V (DIN 06885453) who retires by rotation and, being eligible, offers himself, for re-appointment.

SPECIAL BUSINESS:

8. TO APPROVE THE REMUNERATION PAYABLE TO COST AUDITORS FOR THE FINANCIAL YEAR ENDING 2021-22

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 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Cost Auditors, M/s. Sagar & Associates, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for FY22, be paid a remuneration of ₹ 5,50,000/- (Rupees Five lakh and Fifty thousand only) per annum and out of pocket & other expenses and GST at actuals.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

9. MODIFICATION OF TERMS OF BONUS IN EMPLOYMENT CONTRAT OF DR. SATYANARAYANA CHAVA (DIN 00211921), EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY

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

“RESOLVED THAT pursuant to Section 196, 197 and Schedule V and all other applicable provisions, rules, schedules of the Companies Act 2013 the terms of employment with respect to payment of Bonus to Dr. Satyanarayana Chava, having Director Identification Number 00211921, Executive Director & Chief Executive Officer of the Company be and are hereby modified as follows with effect from April 1, 2020 :

Annual Bonus:

- (i) The Company shall pay the Executive Director & Chief Executive Officer a bonus of such amount as may be determined in accordance with (ii) below, based upon achievement of performance criteria in respect of each completed financial year with effect from April 1, 2020 for the remainder period of his employment:
- (ii) For every financial year, the Chief Executive Officer shall be eligible to receive a bonus (which shall be paid immediately upon the Board approving the audited accounts of the Company for the corresponding financial year) based upon the Company's achievement of the consolidated EBITDA projection for such financial year (on the basis that the consolidated non-interest financial charges are deducted while calculating the consolidated EBITDA and any EBITDA from acquisitions during the year be excluded, if it is so included in the consolidated EBITDA) (**“Target”**) in the following manner:
 - (A) Less than 75 % of the Target = zero bonus;
 - (B) 75 % or more of the Target = bonus equal to the percentage of the Target achieved multiplied by the Annual Salary (as increased on a yearly basis)

“RESOLVED FURTHER THAT the other terms and conditions of his existing employment agreement will remain unchanged”

“RESOLVED FURTHER THAT Mr. V. V. Ravi Kumar Executive Director of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company, be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to the revision in terms of Bonus of Chief Executive Officer of the Company, including but not limited to, issuance of letter(s) of revised terms of Bonus, making necessary entries in the

statutory registers of the Company, filing necessary forms and documents with the jurisdictional Registrar of Companies and all other necessary and incidental acts in this regard.”

10. MODIFICATION OF TERMS OF BONUS IN EMPLOYMENT CONTRAT OF MR. V. V. RAVI KUMAR (DIN 01424180), EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

“RESOLVED THAT pursuant to Section 196, 197 and Schedule V and all other applicable provisions, rules, schedules of the Companies Act 2013 the terms of employment with respect to payment of Bonus to Mr. V. V. Ravi Kumar, having Director Identification Number 01424180, Executive Director and Chief Financial Officer of the Company be and are hereby modified as follows with effect from April 1, 2020:

Annual Bonus:

- (i) The Company shall pay the Executive Director & Chief Financial Officer a bonus of such amount as may be determined in accordance with (ii) below, based upon achievement of performance criteria in respect of each completed financial year with effect from April 1, 2020 for the remainder period of his employment:
- (ii) For every financial year, the Executive Director & Chief Financial Officer shall be eligible to receive a bonus (which shall be paid immediately upon the Board approving the audited accounts of the Company for the corresponding financial year) based upon the Company’s achievement of the consolidated EBITDA projection for such financial year (on the basis that the consolidated non-interest financial charges are deducted while calculating the consolidated EBITDA and any EBITDA from acquisitions during the year be excluded, if it is so included in the consolidated EBITDA) (“**Target**”) in the following manner:
 - (A) Less than 75 % of the Target = zero bonus;
 - (B) 75 % or more of the Target = bonus equal to the percentage of the Target achieved multiplied by the Annual Salary (as increased on a yearly basis)

“RESOLVED FURTHER THAT the other terms and conditions of his existing employment agreement will remain unchanged”

“RESOLVED FURTHER THAT Dr. Satyanarayana Chava, Executive Director & CEO of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company, be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to the revision in terms of Bonus of Chief Financial Officer of the Company, including but not limited to, issuance of letter(s) of revised terms of Bonus, making necessary entries in the statutory registers of the Company, filing necessary forms and documents with the jurisdictional Registrar of Companies and all other necessary and incidental acts in this regard.”

11. MODIFICATION OF TERMS OF BONUS IN EMPLOYMENT CONTRAT OF DR. LAKSHMANA RAO C V, (DIN 06885453), WHOLE-TIME DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to Section 196, 197 and Schedule V and all other applicable provisions, rules, schedules of the Companies Act 2013 the terms of employment with respect to payment of Bonus to Dr. Lakshmana Rao C V, having Director Identification Number 06885453, Whole-time Director of the Company be and are hereby modified as follows with effect from April 1, 2020 :

Annual Bonus:

- (i) The Company shall pay the Whole-time Director a bonus of such amount as may be determined in accordance with (ii) below, based upon achievement of performance criteria in respect of each completed financial year with effect from 1st April 2020 for the remainder period of his employment:
- (ii) For every financial year, the Whole-time Director shall be eligible to receive a bonus (which shall be paid immediately upon the Board approving the audited accounts of the Company for the corresponding financial year) based upon the Company’s achievement of the consolidated EBITDA projection for such financial year (on the basis that the consolidated non-interest financial charges are deducted while calculating the consolidated EBITDA and any EBITDA from acquisitions during the year be excluded, if it is so included in the consolidated EBITDA) (“**Target**”) in the following manner:
 - (A) Less than 75 % of the Target = zero bonus;
 - (B) 75 % or more of the Target = bonus equal to the percentage of the Target achieved multiplied by the Annual Salary (as increased on a yearly basis),

“RESOLVED FURTHER THAT the other terms and conditions of his existing employment agreement will remain unchanged”

“RESOLVED FURTHER THAT Mr. V. V. Ravi Kumar, Executive Director & CFO of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company, be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to the revision in terms of Bonus of Whole-time Director of the Company, including but not limited to, issuance of letter(s) of revised terms of Bonus, making necessary entries in the statutory registers of the Company, filing necessary forms and documents with the jurisdictional Registrar of Companies and all other necessary and incidental acts in this regard.”

12. REAPPOINTMENT OF MRS. ARUNA BHINGE AS INDEPENDENT DIRECTOR

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



“RESOLVED THAT in terms of Section 149 read with Schedule IV of the Companies Act, 2013 together with applicable rules and provisions made thereunder and pursuant to SEBI (LODR) Regulations, 2015 and in terms of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for re-appointment of Mrs. Aruna Bhinge having Director Identification Number 07474950, as Independent Director of the Company for a further period of 5 years with effect from July 7, 2021 i.e. up to July 6, 2026”

“RESOLVED FURTHER THAT Dr. Satyanarayana Chava, Executive Director & CEO of the Company, and Mr. V. V. Ravi Kumar, Executive Director & CFO of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorised to do all the needful activities in this regard including any filings with the Registrar of Companies, Andhra Pradesh”

13. REAPPOINTMENT OF DR. RAJESH KOSHY CHANDY AS INDEPENDENT DIRECTOR

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

“RESOLVED THAT in terms of Section 149 read with Schedule IV of the Companies Act, 2013 together with applicable rules and provisions made thereunder and pursuant to SEBI (LODR) Regulations, 2015 and in terms of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for re-appointment of Dr. Rajesh Chandy having Director Identification Number 07575240, as Independent Director of the Company for a further period of 5 years with effect from July 27, 2021 i.e. up to July 26, 2026”

“RESOLVED FURTHER THAT Dr. Satyanarayana Chava, Executive Director & CEO of the Company, and Mr. V. V. Ravi Kumar, Executive Director & CFO of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorised to do all the needful activities in this regard including any filings with the Registrar of Companies, Andhra Pradesh”

14. APPROVAL OF LAURUS LABS EMPLOYEES STOCK OPTION SCHEME 2021

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

“RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”) (including any statutory modification(s) or re-enactment of the Act or the SBEB Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including Nomination and Remuneration Committee, which

may exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in the employment of the Company, including Directors of the Company whether whole time or otherwise whether working in India or out of India, under a Scheme titled “LAURUS LABS EMPLOYEES STOCK OPTION SCHEME 2021” (hereinafter referred as the “ESOP Scheme, 2021” or “Scheme”), options exercisable into equity shares being not more than 1,000,000 (One Million only) equity shares of ₹ 2 each of the Company at an exercise price of 25 % discount on the Fair Market Value of Share on the date of Grant of Options under ESOP Scheme 2021, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee in accordance with the provisions of the Companies Act 2013 or SBEB Regulations or other provisions of the laws as may be prevailing and applicable at that time, each option granted being exercisable for one equity share of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of such options from time to time in accordance with ESOP Scheme, 2021 and such equity shares shall rank pari passu in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 1,000,000 stock options shall be deemed to be increased/adjusted to the extent of such additional options issued”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment of equity shares, the Board/Committee be and is hereby authorised on behalf of the Company, to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations, or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

15. APPROVAL FOR GRANT OF OPTIONS UNDER LAURUS LABS ESOP SCHEME 2021 (ESOP SCHEME 2021) TO THE ELIGIBLE EMPLOYEES OF THE SUBSIDIARY COMPANIES

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

“RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based

Employee Benefits) Regulations, 2014 (the “SBEB Regulations”) (including any statutory modification(s) or re-enactment of the Act or the SBEB Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including Nomination and Remuneration Committee, which may exercise its powers, including the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded to the Board to create, offer and grant such number of employee stock options as may be decided by the Board within the overall limit of number of Stock Options under Laurus Labs Employees Stock Option Scheme, 2021 (“ESOP Scheme 2021”) to the present and / or future permanent employees of the subsidiary companies of the Company working in India or abroad and / or directors (including whole-time directors) of the subsidiary companies of the Company in India or abroad and any other individuals / entities as allowed under applicable rules, regulations, guidelines and laws (hereinafter referred to as “employees” or “said employees”) as per the terms and conditions of ESOP Scheme 2021 and as may from time to time be allowed under prevailing laws, rules and regulations, and/ or amendments thereto from time to time, on such terms and conditions as may be decided by the board.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of stock options, from time to time, granted under ESOP Scheme 2021 and such equity shares allotted shall in all respects rank pari passu inter-se and with the then existing equity shares of the Company;”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling of stock options under ESOP 2021 shall be deemed to be increased/adjusted to the extent of such additional options issued”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment of equity shares, the Board/Committee be and is hereby authorised on behalf of the Company, to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations, or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

16. ALTERATION OF CLAUSES OF ARTICLES OF ASSOCIATION OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of the Sections 5 and 14 of the Companies Act, 2013 and rules made thereunder, the consent of the Shareholders of the Company be and is hereby accorded for removal of the following clause from the Articles of Association of the Company:

49A. Bluewater Investment Ltd., will have right to nominate 1 (one) director on the Board of the Company until such time Bluewater Investment Ltd continues to hold 15% (fifteen percent) of the fully diluted share capital of the Company.

RESOLVED FURTHER THAT Dr. Satyanarayana Chava, Executive Director and CEO, Mr. V. V. Ravi Kumar, Executive Director and CFO and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all such acts, deeds, matters, and things and to give such directions as may be necessary or expedient or incidental for the purpose of giving effect to this Resolution.”

By order of the Board
Laurus Labs Limited

Sd/-
G. Venkateswar Reddy
Company Secretary

Regd. Office:

Plot No.21,
Jawaharlal Nehru Pharma City,
Parawada,
Visakhapatnam – 531 021
E-mail:secretarial@lauruslabs.com

Place: Hyderabad
Date: April 29, 2021

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out above is annexed hereto and forms part of the Notice.
2. Brief resume of Directors proposed to be appointed/re-appointed, (in item nos. 6,7,12 & 13) nature of their expertise in specific functional areas, name of companies in which they hold directorships and membership/chairmanships of Board Committees and shareholding in the Company as stipulated under SEBI (LODR) Regulations, 2015 are provided as an Annexure to this notice and also in the Report on Corporate Governance forming part of the Annual Report.



3. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, allowed companies to hold their AGM through Video Conferencing (VC) for the calendar year 2020 and also the Ministry of Corporate Affairs, Government of India vide its General Circular No.02/2021 dated 13th January 2021 allowed the companies to conduct their Annual General Meetings on or before 31st December 2021 through video conferencing (VC) or other Audio Visual Means (OAVMs) in accordance with the requirements in paragraphs 3 and 4 of the General Circular No.20/2020.
4. Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 read with the aforesaid circulars issued by MCA, the 16th Annual General Meeting of the Company shall be conducted through Video Conferencing (VC) to be referred to as "e-AGM".
5. The Company has appointed M/s. National Securities Depository Limited (NSDL) to provide Video Conferencing facility for the e-AGM
6. In the e-AGM:
 - a. Members can attend the meeting through log in credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required.
 - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC and participate thereat and cast their votes through e-voting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from July 9, 2021 to July 15, 2021 (both days inclusive) for the purpose of Annual General Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
9. Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF authority within a period of thirty days of such equity shares becoming due to be transferred to the IEPF. In the event of transfer of equity shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF rules.
10. Pursuant to Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on July 9, 2020 (date of last AGM) on its website at www.lauruslabs.com and also on the website of the Ministry of Corporate Affairs.
11. The Notice calling the e-AGM has been uploaded on the website of the Company at www.lauruslabs.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
12. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
13. Up to 1000 members will be able to join on a First Come First Serve basis to the e-AGM.
14. No restrictions on account of First Come First Serve basis entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
15. The attendance of the Members (members' logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members through e-Voting agency M/s. National Securities Depository Limited (NSDL).
17. Voting at the e-AGM: Members who could not vote through remote e-voting may avail the e-voting system provided in the e-AGM by M/s. National Securities Depository Limited (NSDL).
18. The Statutory Registers and the documents pertaining to the items of business to be transacted at the AGM are available for inspection in electronic mode. The shareholders may write an e-mail to secretarial@lauruslabs.com and the Company shall respond suitably.

Instructions for the Members for attending the e-AGM through Video Conference:

1. Member will be provided with a facility to attend the EGM/ AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at secretarial@lauruslabs.com.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@lauruslabs.com. The same will be replied by the company suitably.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for members for remote e-Voting

8. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per the requirements of the SEBI (LODR) Regulations 2015, your Company is pleased to provide members facility to exercise their right to vote at the 16th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by M/s. National Securities Depository Limited.
9. The remote e-voting period begins on July 12, 2021 at 09:00 A.M. and ends on July 14, 2021 at 05:00 P.M. and the remote e-voting module shall be disabled by NSDL for voting thereafter.
10. The Instructions for remote voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>(i) Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>(ii) If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>(iii) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>(iv) Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p>

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022- 23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - » If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - » If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- (i) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- (ii) Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".



- (iii) Now you are ready for e-Voting as the Voting page opens.
- (iv) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- (v) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (vi) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (vii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

- (i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to yvafics@gmail.com with a copy marked to evoting@nsdl.co.in.
- (ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- (iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request by email to evoting@nsdl.co.in

11. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- (i) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@lauruslabs.com and evoting@nsdl.co.in.
- (ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@lauruslabs.com and evoting@nsdl.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

- (iii) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- (iv) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for members for e-Voting during the e-AGM session:

- 12. The procedure for e-Voting on the day of the e-AGM is same as the instructions mentioned above for remote e-voting.
- 13. Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM and they can exercise their vote while they are connected in the Video Conference by following the guidelines provided therein.
- 14. However, members who have voted through Remote e-Voting will be eligible to attend the e-AGM.
- 15. The Board of Directors of the Company has appointed Mr.Y.Ravi Prasada Reddy, Proprietor of RPR Associates, a Practicing Company Secretary, as scrutiniser to scrutinise the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
- 16. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. July 09, 2021.
- 17. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. July 09, 2021 only shall be entitled to avail the facility of remote e-voting/ e-voting at the meeting.
- 18. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the USER ID and Password by sending an e-mail request to evoting@nsdl.co.in.
- 19. The Scrutiniser, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company at www.lauruslabs.com. The results shall simultaneously be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013

Item No.8:

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Sagar & Associates, Cost Accountants, as Cost Auditors at a remuneration of ₹ 5,50,000/- (Rupees Five lakhs and Fifty thousand only) per annum plus out of pocket expenses at actuals and GST to conduct the audit of the cost records of the Company for the financial year ending 31 March 2022.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.8 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

The Board recommends the resolution set forth in the Item No. 8 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No.9 to 11:

Dr. Satyanarayana Chava, Executive Director & CEO of the Company and Mr. V. V. Ravi Kumar, Executive Director & CFO of the Company have been appointed in their respective positions for a period of 5 years with effect from April 1, 2020 by the members in the 15th Annual General Meeting held on July 9, 2020. Further, Dr. Lakshmana Rao C V has been appointed as Whole-time Director of the Company for a period of 5 years with effect from March 8, 2018 by the members in the 13th Annual General Meeting held on July 5, 2018.

The Annual Bonus clause in respect of Dr. Satyanarayana Chava presently is as follows:

Annual Bonus:

- (i) The Company shall pay the Executive Director a bonus of such amount as may be determined in accordance with (ii) below, based upon achievement of performance criteria in respect of each completed financial year with effect from April 1, 2020.
- (ii) For every financial year, the Executive Director shall be eligible to receive a bonus (which shall be paid immediately upon the Board approving the audited financial statements of the Company for the corresponding financial year) based upon the Company's achievement of the consolidated EBITDA projection for a financial year (on the basis that the consolidated non-interest financial charges are deducted while calculating the consolidated EBITDA and any EBITDA from acquisitions during the year be excluded, if it is so included in the consolidated EBITDA) ("**Target**") in the following manner:

- (A) Less than 75 % of the Target = zero bonus;
- (B) 75 % or more of the Target = bonus equal to the percentage of the Target achieved multiplied by the Annual Salary (as increased on a yearly basis), provided that the amount of bonus paid pursuant to this clause will not exceed 120 % of the Annual Salary.

The Annual Bonus clause in respect of Mr. V. V. Ravi Kumar and Dr. Lakshmana Rao C V is presently as follows:

Annual Bonus:

- (i) The Company shall pay the Executive Director a bonus of such amount as may be determined in accordance with (ii) below, based upon achievement of performance criteria in respect of each completed financial year with effect from April 1, 2020.
- (ii) For every financial year, the Executive Director shall be eligible to receive a bonus (which shall be paid immediately upon the Board approving the audited accounts of the Company for the corresponding financial year) based upon the Company's achievement of the consolidated EBITDA projection for a financial year (on the basis that the consolidated non-interest financial charges are deducted while calculating the consolidated EBITDA and any EBITDA from acquisitions during the year be excluded, if it is so included in the consolidated EBITDA) ("**Target**") in the following manner:
 - (A) Less than 75 % of the Target = zero bonus;
 - (B) 75 % or more of the Target = bonus equal to the percentage of the Target achieved multiplied by the 50 % of Annual Salary (as increased on a yearly basis), provided that the amount of bonus paid pursuant to this clause will not exceed 60 % of the Annual Salary.

It may be noted that in respect of other senior employees who are entitled for Bonus there is no upper and lower ceilings on the Bonus and they are entitled for Bonus in proportion with the performance achieved by the Company.

It is now being proposed to remove the upper ceiling of 120 % of the Annual Salary as Bonus to Dr. Satyanarayana Chava and to remove ceiling of 60 % of the Annual Salary as Bonus to Mr. V. V. Ravi Kumar and Dr. Lakshmana Rao C V with effect from April 1, 2020 in line with the Bonus policy applicable to all other senior employees of the Company so that these executive directors will also be entitled to get the Annual Bonus in proportion with the performance achieved by the Company. However, the lower ceiling of achieving of minimum 75 % of the Target would continue to apply for all these three executive directors. The Nomination and Remuneration Committee and the Board of Directors have recommended these resolutions for the approvals of the shareholders.

It may be noted that the Company can only pay upto a maximum of 10% of its Profits (Profit Before Tax (PBT)) as remuneration to the Directors. In this regard, the remuneration being paid to the Company's Directors is less than 3.5 % of PBT of the Company, even



after removing the upper ceiling limits and is well within the range with other peer companies such as Divis Laboratories, Granules etc.

Except Dr. Satyanarayana Chava, CEO of the Company, Mr. V. V. Ravi Kumar, Executive Director and Dr. Lakshmana Rao C V and their respective relatives (who are concerned or interested with their respective resolutions), none of the Directors, managers and key managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolutions set out in Item Nos. 9 to 11.

Item No.12: Re-appointment of Mrs. Aruna Bhinge as independent director

Mrs. Aruna Bhinge was appointed as a Non-Executive Independent Director on the Board of the Company by the Members of the Company with effect from July 7, 2016.

Mrs. Bhinge has more than 35 years of experience, with leadership positions in business strategy, marketing, sales, projects & partnerships in the healthcare and agribusiness sectors. She had retired from Syngenta, a global agribusiness major, and driven their sustainable smallholder agriculture & food security initiatives in South Asia. Presently, she is on the Board of few other companies as Independent Director.

In terms of Section 149, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder, each as amended, (the "Companies Act") Mrs. Bhinge being eligible is proposed to be reappointed as an independent director for a further period of 5 consecutive years from July 7, 2021 to July 6, 2026. In the opinion of the Board, Mrs. Bhinge fulfils the conditions specified in the Companies Act for her appointment as an independent director of the Company and is independent of the management.

The Board recommends the resolution in relation to reappointment of Mrs. Aruna Bhinge as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs. Aruna Bhinge, being an appointee, none of the Directors, managers and key managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

Item No: 13 Re-appointment of Dr. Rajesh Koshy Chandy as independent director

Dr. Rajesh Chandy was appointed as a Non-Executive Independent Director on the Board of the Company by the Shareholders of the Company with effect from July 27, 2016.

Dr. Rajesh Chandy holds the Tony and Maureen Wheeler Chair in Entrepreneurship and is a Professor of Marketing at London Business School. Chandy's areas of expertise include innovation, entrepreneurship, emerging markets, and marketing strategy. During 2006-2008, he served as a member of the US Secretary of Commerce Advisory Committee on Measuring Innovation in the 21st Century Economy. Dr. Chandy has received several awards for his research and teaching, and he has served on the editorial boards of several leading academic journals. Fortune magazine described Chandy's findings on innovation as "an unorthodox and bracing set of management

principles," and the Academy of Management Perspectives called it "groundbreaking," and "invaluable". Chandy received his PhD in Business Administration in 1996 from the University of Southern California.

In terms of Section 149, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder, each as amended, (the "Companies Act") Dr. Rajesh Chandy being eligible is proposed to be reappointed as an independent director for a further period of 5 consecutive years from July 27 2021 to July 26, 2026. In the opinion of the Board, Dr. Rajesh Chandy fulfils the conditions specified in the Companies Act for his reappointment as an independent director of the Company and is independent of the management.

The Board recommends the resolution in relation to reappointment of Dr. Rajesh Chandy as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Rajesh Chandy, being an appointee, none of the Directors, managers and key managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 13.

Item No: 14. Approval of Laurus Labs Employees Stock Option Scheme, 2021

Presently, the Company is implementing ESOP Scheme 2016 and 2018, under each Scheme the shareholders have approved 3,00,000 equity shares of ₹ 10/- each which are almost exhausting very soon.

The Company has more than 4,000 employees and most of them have joined last two to three years. In order to attract and retain the talented employees, ESOP Scheme is considered to be one of the best tools.

To achieve the above objectives, the Board of Directors in their Meeting held on April 29, 2021 had resolved to initiate a new ESOP Scheme in addition to the ESOP 2016 and ESOP 2018 Schemes and similar to these Schemes, to be known as Laurus Labs Employees Stock Option Scheme, 2021 (ESOP 2021 Scheme). Under the proposed ESOP 2021 Scheme, it was proposed to issue 1,000,000 (One Millions only) stock options to the eligible employees at an exercise price of a 25 % discounted price over the Fair Market Value of the share of the Company at the time of granting options. The ESOP 2021 Scheme shall be implemented and administered directly by the Company and the Company shall conform to the accounting policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Disclosures as required under Regulation 6(2) of SEBI (SBEB) Regulations, 2014 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 :

(a) Brief description of the scheme(s):

Under the proposed ESOP 2021 Scheme, it was proposed to issue 1,000,000 (One Million only) stock options to the eligible employees at an exercise price of a 25 % discount over the Fair Market Value of the share of the Company at the time of granting of options.

- (b) The total number of options, SARs, shares or benefits, as the case may be, to be granted : 1,000,000 options

- (c) Identification of classes of employees entitled to participate and be beneficiaries in the ESOP Scheme :

Employees, who have been identified by the Nomination and Remuneration Committee, shall be entitled to participate in the Scheme ("Eligible Employees"). The criteria for determining the eligibility of an Employee to receive Options may be prescribed and/or revised from time to time at the discretion of the Committee.

"Employee" means A permanent and full-time employee who is on the payroll of the Company and that of its Subsidiaries, whether working in or outside India; and a non-executive Director, whether located in or outside India;

but excludes: (a) an executive director/chief executive officer; (b) Directors or employees who are the Promoters of the Company or belong to the Promoter Group; (c) Directors, who either themselves or through a Relative or body corporate directly or indirectly hold more than 1 % of the outstanding shares of the Company; and (d) employees who have resigned from their employment with the Company or the Subsidiaries (as the case may be) as of the Effective Date. Independent Directors at present are not eligible for ESOPs under the existing legal regime but in future if the law is amended and the independent directors are eligible for ESOPs, then they shall be entitled to get ESOPs subject to the decision of the Nomination and Remuneration Committee/Board of Directors of the Company in this regard.

- (d) The requirements of vesting and period of vesting:

Options granted shall vest so long as a Participant continues to be in the employment of the Company as on the date of Vesting. Subject to the SEBI (SBEB) Regulations, Vesting of Options granted under the Scheme shall be as follows:

Percentage of Options vested	Date of Vesting
25 %	Two years from the date of Grant
25 %	Three years from the date of Grant
25 %	Four years from the date of Grant
25 %	Five years from the date of Grant

- (e) The maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be)) within which the options/SARs/benefit shall be vested: 5 years

- (f) The Exercise Price, SAR price, purchase price or pricing formula for arriving at the same:

25 % less than the Fair Market Value of share as on the date of Grant, as decided by the Board and/or the Committee in accordance with the accounting policies specified under Regulation 15 of the SEBI (SBEB) Regulations.

- (g) The exercise period and process of exercise:

Subject to a Participant's continued employment with the relevant member of the Group, the Vested Options under this Scheme shall be exercised any time on or after the date of

Vesting but on or before the expiry of one year from the date of vesting. Such Exercise may be of all Vested Options or part of the Vested Options.

Exercise of Vested Options shall take place at the time and place designated by the Committee and shall be by executing such documents as may be required under Applicable Laws to issue the relevant Shares to the Participants, in accordance with the Memorandum and Articles of Association and Applicable Laws.

A Vested Option shall be deemed to be exercised only when the Committee receives a written notice of Exercise and the payment of Exercise Price in accordance with this Scheme from a Participant entitled to Exercise the Vested Option.

- (h) The appraisal process for determining the eligibility of employees to the ESOP Scheme: To be decided by the Nomination and Remuneration Committee

- (i) Maximum no. of options, SARs, Shares, as the case may be, to be issued per employee and in aggregate:

Per employee - As may be decided by the Committee; In aggregate – 1,000,000

- (j) Maximum quantum of benefits to be provided per employee under the scheme:

As may be decided by the Committee

- (k) Whether the scheme(s) is to be implemented and administered directly by the company or through a trust: Directly by the Company

- (l) Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both: New issue of shares by the Company

- (m) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilisation, repayment terms, etc.:

Not applicable since the Company implements the scheme directly

- (n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s):

Not applicable since the Company implements the scheme directly

- (o) A statement to the effect that the company shall conform to the accounting policies specified in regulation 15:

The company shall conform to the accounting policies specified in regulation 15

- (p) The method which the company shall use to value its options: Fair Value Method

- (q) The following statement, if applicable: 'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee



compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report :

Not applicable

A copy of the Scheme is available at the Corporate Office of the Company for inspection by the members.

The Board of Directors of your Company recommends this resolution as set out under item no.14 for your approval.

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their entitlement for ESOPs, if they are entitled for the same, as per the terms and conditions of ESOP Scheme, 2021.

Item No.15: Approval for Grant of options under Laurus ESOP Scheme 2021 (ESOP Scheme 2021) to the eligible employees of the Subsidiary companies

The Members are aware that the Company has introduced earlier ESOP 2016 and ESOP 2018 to reward its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. In the process of growth path, the Company has established several subsidiary companies and the Company proposes to extend the benefits of ESOPs to the employees of these Subsidiary companies as well, under ESOP Scheme, 2021.

SEBI (SBEB) Regulations, 2014 require separate approval of members by way of special resolution to grant stock options to the employees of subsidiary companies.

Accordingly, a separate resolution under item no.15 is proposed to extend the benefits of the ESOP Scheme 2021 to the employees of subsidiary companies, existing or future, as may be decided by the Nomination and Remuneration Committee from time to time under Applicable Laws.

Disclosures as required under Reg.6(2) of SEBI (SBEB) Regulations, 2014 and other details as provided in item 14 above may be construed and read as part of this item no.15 also.

A copy of the Scheme is available at the Corporate Office of the Company for inspection by the members.

The Board of Directors of your Company recommends this resolution as set out under item no.15 for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their entitlement for ESOPs, if they are entitled for the same, as per the terms and conditions of ESOP Scheme, 2021.

Item No. 16: Alteration of clauses of Articles of Association of the Company

The Members may be aware that in the year 2014 Bluewater Investments Ltd., a Private Equity Investor has invested in the Company i.e, before the Company went into IPO and there was Nominee Director on the board of the Company from Bluewater Investment and upon listing of the shares of the Company on Stock Exchanges, Bluewater Investment Ltd. was given a right to appoint one nominee director on the Board until they hold 15% of the shares of the Company and to this extent Articles of Association of the Company was amended to include this right into the Articles of Association. The concerned clause is as follows:

49A. Bluewater Investment Ltd., will have right to nominate 1 (one) director on the Board of the Company until such time Bluewater Investment Ltd continues to hold 15 % (fifteen percent) of the fully diluted share capital of the Company.

Accordingly, Mr. Narendra Ostawal was holding Directorship in the Company as a Nominee Director on behalf Bluewater Investments.

The members may further note that Bluewater Investments had sold their entire shares of the Company in June 2020 and ceased to be the Shareholder of the Company. Hence, Mr. Narendra Ostawal, had also resigned from the Company upon sale of shares by Bluewater Investments. Therefore, the clause 49A of Articles of Association of the Company got no significance now. Hence, it is proposed to remove the clause 49A from the Articles of Association of the Company by altering the Articles, subject to the approval of the Shareholders.

Accordingly, the Board of Directors of your Company recommends this resolution as set out under item no.16 for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in this resolution.

By order of the Board
Laurus Labs Limited

Sd/-
G. Venkateswar Reddy
Company Secretary

Regd. Office:

Plot No.21,
Jawaharlal Nehru Pharma City,
Parawada,
Visakhapatnam – 531 021
E-mail:secretarial@lauruslabs.com

Place: Hyderabad
Date: April 29, 2021

Annexure

Details of Directors seeking appointment/re-appointment at the 16th Annual General Meeting of the Company to be held on July 15, 2021 [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Dr. Satyanarayana Chava	Dr. Lakshmana Rao C V	Mrs. Aruna Bhinge	Dr. Rajesh Chandy
Date of Birth	10-03-1961	01-08-1962	09-09-1957	02-10-1969
Age	60 Years	58 Years	63 Years	51 Years
Date of Appointment	21-01-2006	08-03-2018	07-07-2016	27-07-2016
Relationship with Directors and Key Managerial Personnel	Father-in-Law of Mr. Chandrakanth Chereddi	No Relationship	No Relationship	No Relationship
Expertise in specific functional area*	Pharmaceuticals	Pharmaceuticals	Strategy	Strategy, Marketing
Qualifications	M.Sc., PhD	M.Sc., PhD	M.Sc.	PhD
Board Membership of other listed companies as on March 31, 2021	NIL	NIL	- Punjab Chemicals and CropProtection Limited - Mahindra EPC Irrigation Limited	NIL
a. Audit Committee			Laurus Labs Ltd. – Member	Laurus Labs Ltd. - Member
b. Stakeholders Relationship Committee				
c. Nomination and Remuneration Committee				Laurus Labs Ltd. - Member
d. CSR Committee			Laurus Labs Ltd. – Member	
e. Other Committees	Risk Management Committee – Chairman	Risk Management Committee – Member		Laurus Labs Risk Management Committee – Member
Number of equity shares held in the Company as on March 31, 2021	88994020	13850145	17500	---

* For additional details on skills, expertise, knowledge and competencies of Directors, please refer to Corporate Governance Report forming part of the Annual Report

Notes:

1. The Directorship, Committee Memberships and Chairmanships do not include positions in foreign companies, unlisted companies and private companies, position as an advisory board member and position in companies under Section 8 of the Companies Act, 2013
2. Information pertaining to remuneration paid to the Directors who are being appointed/ re-appointed and the number of Board Meetings attended by them during the year 2020-21 have been provided in the Corporate Governance Report forming part of the Annual Report.