



# STERLING BIOTECH LIMITED

**Regd. Office. : 43 Atlanta Building, Nariman Point, Mumbai-400 021.**  
Tel. : +91(22) 6630 6732, 6630 6733 \* Fax : +91 (22) 2204 1954  
CIN: L51900MH1985PLC035738

Date: 30<sup>th</sup> June, 2014

To  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Sub. : Outcome of Annual General Meeting held today**

Dear Sir,

We are pleased to inform you that 28<sup>th</sup> Annual General Meeting of members of the company was held today. The members present at the meeting have unanimously passed all the Resolutions as per the notice of Annual General Meeting, briefly summarized as under:

**Ordinary Business and Ordinary Resolution:**

1. Adoption of Annual Accounts for the year ended 31<sup>st</sup> December, 2013.
2. Re-appointment of Shri R.B. Dixit as Director of the Company.
3. Re-appointment of Shri N.B. Patel as Director of the Company.
4. Appointment of M/s. H. S. Hathi & Co., Chartered Accountant, Mumbai, Firm Reg. No. 103596W, as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**Special Business and Ordinary / Special Resolutions:**

5. Re-appointment of Shri Chetan Sandesara (DIN-00255671) as Joint Managing Director.
6. Increase in Foreign Direct Investment Limit.
7. Borrowing Limit upto Rs. 10,000 Crores.
8. Mortgage, Charges, etc., Limits upto Rs. 10,000 Crores.
9. Increase and Re-classification of the Authorised Share Capital of the Company and Amendments to the Memorandum of Association.

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**Corp. Office:** Sandesara Estate, Atladra, Padra Road, Vadodara - 390 012.

Tel. : +91-265-2680720, 2680730 \* Fax : +91-265-2680257, 2680732 \* Email : sterling\_gelatin@stergel.com

**Works** : ECP Road, Village Karakhadi - 391 450. Ta : Padra, Dist.: Vadodara, Gujarat, India. Tel.: (02662) 273292/94, 273364/65/67 \* Fax : (02662) 273293

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10. Issue of Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares Carrying no Voting Rights.

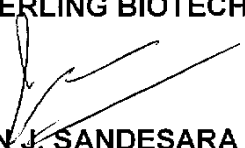
We are enclosing herewith notice of Annual General Meeting.

We kindly request you to take the same on record and circulate the same for the information of the members of the exchange and investors.

Thanking You,

Yours Faithfully,

**FOR STERLING BIOTECH LIMITED**

  
**CHETAN J. SANDESARA**  
**JOINT MANAGING DIRECTOR**  
**(DIN – 00255671)**

CC to:

National Stock Exchange of India Ltd. "EXCHANGE PLAZA", Bandra Kurla Complex, Bandra (E), Mumbai - 51	Luxembourg Stock Exchange, Luxembourg
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**STERLING BIOTECH LIMITED**

Regd. Office: 43, Atlanta, Nariman Point, Mumbai – 400 021.

CIN : L51900MH1985PLC035738

**NOTICE**

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of the Company will be held at Bhakti Kala Kshetra, International Society for Krishna Consciousness (ISKCON) Founder Acharya : His Divine Grace A.C. Bhaktivedanta Swami Prabhupada, Hare Krishna Land, Juhu, Mumbai - 400 049 on Monday, the 30<sup>th</sup> June, 2014 at 10.30 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> December, 2013 and the Profit and Loss Account for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. R. B. Dixit (DIN-00025484), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. N. B. Patel (DIN-01624527), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:****5. RE-APPOINTMENT OF SHRI CHETAN SANDESARA (DIN-00255671) AS JOINT MANAGING DIRECTOR**

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 sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 (the Act) and Section 196, 197, 198 and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Chetan J. Sandesara (DIN 00255671), Joint Managing Director of the Company for a period of 5 years with effect from 15<sup>th</sup> July, 2013 on a salary of ₹ 2,00,000 per month in the scale of ₹ 2,00,000–₹ 75,000–₹ 9,00,000 per month.

**FURTHER RESOLVED THAT** the perquisites (including allowances) payable or allowable and commission / performance linked incentive to the Joint Managing Director be as Follows:

**Perquisites:**

1. In addition to the salary, Mr. Chetan J. Sandesara (DIN 00255671) shall also be entitled to perquisites which would include accommodation, furnished or otherwise, (or 50% of the salary as house rent allowance in lieu thereof), gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, use of Company car, medical and personal accident insurance and other benefits, amenities and facilities in accordance with the Rules of the Company.

The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

2. Contribution to Provident Fund, Superannuation Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

3. Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
4. Provision for car for use on Company's business and telephone at residence would not be considered as perquisites.

Provided that the remuneration payable to the Joint Managing Director (including the salaries, commission, perquisites, benefits and amenities) does not exceed the limits laid down in section 198 and 309 of the Companies Act, 1956, or any statutory modification or re-enactment thereof.

**FURTHER RESOLVED THAT** in the event of inadequacy or absence of profits in any financial year, Mr. Chetan Sandesara, Joint Managing Director shall be paid the above remuneration as minimum remuneration for a period not exceeding 3 years, by way of salary, allowances, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

#### 6. INCREASE IN FOREIGN DIRECT INVESTMENT LIMIT

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

**"RESOLVED THAT** pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable Rules, Regulations, Guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors (hereinafter referred to as "the FIIs") including their sub-accounts and Non Resident Indians/ Persons of Indian Origins (hereinafter referred to as NRIs/PIOs), in the shares of the Company, by purchase or acquisition from the market under the Portfolio Investment Scheme, upto 74 percent and 24 per cent of the paid up equity share capital of the company respectively".

**"RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and is hereby authorized to do all such acts, deeds & things as may be necessary, proper and expedient for the purpose of giving effect to this resolution and for the matters connected therein or incidental thereto."

#### 7. BORROWING LIMIT

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 Section 180 (1) (a) of the Companies Act, 2013, and in substitution of and in ratification of the earlier resolution(s) passed under the provisions of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorized to borrow money from time to time up to a limit of not exceeding in the aggregate ₹ 10,000 Crores (Rupees Ten Thousand Crores Only) notwithstanding that the monies already borrowed and the monies to be borrowed by the Company will exceed the aggregate of the paid up capital and free reserves, that is to say reserves not set apart for any specific purpose."

#### 8. MORTGAGE, CHARGES, ETC., LIMITS

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

**"RESOLVED THAT** in terms of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this Resolution) of creation of mortgages, charges and hypothecation in addition to the existing mortgages, charges and hypothecations, on such of the Company's movable and immovable properties, both present and future, and in such manner as the Board may direct together with power to takeover the management and concern of the Company in favour of Lender(s) / Agent(s) / Trustee(s) / Financial Institutions / Bank / NBFC and other investing/lending agencies to secure Rupee / Foreign Currency Loans, External Commercial Borrowings (ECB), Foreign Currency Bonds, equity linked or not, bond securities (comprising fully / partly convertible Debentures and/or Non Convertible Debentures with or without detachable or non detachable warrants and/or secure premium notes and/or floating rate notes/bonds) or other debt instrument of and equivalent aggregate value not exceeding ₹10,000 Crores (Rupees Ten Thousand Crores only) together with interest thereon at the respective agreed rates, compounded interest, additional interest, liquidated damages, commitment charges, remuneration of Agent(s) / Trustee(s), premia on pre-payment or on redemption, cost, charges, expenses including any increase as a result of devaluation / revaluation, fluctuation in the rates of exchange and all other monies payable by the Company to the Lender(s) / Agents(s) / Trustee(s) / Financial Institutions/Banks/other investing agencies under the arrangements entered into / to be entered into by the Company in respect of the said loans, Bonds, Securities or other instruments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalise the terms and conditions of the above mentioned loans, bonds, securities, instruments and documents for creating the aforesaid mortgages, charges and hypothecation and to do all such acts and things and execute such documents or writings as may be necessary for giving effect to the above Resolution."

**9. INCREASE AND RE-CLASSIFICATION OF THE AUTHORIZED SHARE CAPITAL OF THE COMPANY AND AMENDMENT TO THE MEMORANDUM OF ASSOCIATION :**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 13 and 61 and all other applicable provisions if any, of the Companies Act, 2013 ('the new act'), applicable rules and / or the Companies Act, 1956 as applicable from time to time, the Authorized Share Capital of the Company be increased and re-classified from present ₹ 500,000,000/- (Rupees Fifty Crores only) divided into 500,000,000 (Fifty Crores) Equity Shares of ₹ 1/- each to ₹ 28,000,000,000/- (Rupees Two Thousand Eight Hundred Crores only) divided into 500,000,000 (Fifty Crores) Equity Shares of ₹ 1/- each and 2,750,000,000 (Two Hundred Seventy Five Crores) Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of ₹ 10/- each and consequently the Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following new clause.

**V.** The Share Capital of the Company is ₹ 28,000,000,000/- (Rupees Two Thousand Eight Hundred Crores only) divided into 500,000,000 (Fifty Crores) Equity Shares of ₹ 1/- each and 2,750,000,000 (Two Hundred Seventy Five Crores) Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of ₹ 10/- each".

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.”

**10. ISSUE OF UNLISTED 8% REDEEMABLE CUMULATIVE NON-PARTICIPATING NON-CONVERTIBLE PREFERENCE SHARES CARRYING NO VOTING RIGHTS**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 55, 62, 23, 24 & 42 and all other applicable provisions, if any, of the Companies Act, 2013 ('the new act'), applicable rules and / or the Companies Act, 1956, as applicable from time to time (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with Stock Exchange where the shares of the Company are listed and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as **“the Board”**) consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, 2,750,000,000 Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of face value of ₹ 10/- each (**“Preference Shares”**), at **par or at premium** or at such price or prices, on private Placement basis to **various entities/persons including Promoters / Promoter Group & Associates** whether or not they are member(s) of the Company, with such rights and privileges and on such terms and conditions including but not limited as to the rate of dividend, redemption period, manner of redemption, without any Voting Rights, except as provided in the new act if any, and to modify, alter and re-set all or any of the said terms from time to time, as the Board at its absolute discretion deem appropriate and that such authority shall be continuing authority to the Board.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.”

By Order of the Board  
For Sterling Biotech Limited

**Nitin J. Sandesra**  
Managing Director  
(DIN-00255496)

Place: Mumbai  
Date: 24<sup>th</sup> May, 2014

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE LODGED WITH THE COMPANY AT ANY TIME NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING. A FORM OF PROXY IS ENCLOSED.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 24th June, 2014 to Monday, the 30<sup>th</sup> June, 2014 (both days inclusive).
3. Members holding shares in physical form are requested to notify immediately any change in their address with PIN code to the Company's Share Transfer Agents and in case of Members holding shares in electronic form, this information should be passed on directly to their respective Depository Participants and not to the Company.
4. Members desirous of obtaining any information on the Annual Accounts to be explained at the Meeting are requested to write to the Company at an early date to facilitate compilation of information.
5. The Government has introduced new provisions in the Companies Act, 1956, which enable shareholders to nominate persons who shall become entitled to the shares, upon the death of such holders. Members who wish to appoint a nominee for the shares held by them are required to write to the Company for relevant form.
6. In view of the amendment to the Companies Act, 1956 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follow:

Date of Declaration / Payment	For the Accounting Year	Date of Transfer Due On
12-05-2007	31-12-2006	11-05-2014
02-06-2008	31-12-2007	01-06-2015
30-06-2009	31-12-2008	29-06-2016
30-06-2010	31-12-2009	29-06-2017
30-06-2011	31-12-2010	29-06-2018

7. The information required to be provided under the Listing Agreement entered into with stock exchanges, regarding the Directors, who are proposed to be appointed/ re-appointed are as under.

**Mr. R. B. Dixit (DIN-00025484)**

He is a Commerce Graduate having more than 28 years of experience in handling commercial and financial matters.

He is also Director of Sterling International Enterprises Limited, Ensa Steel Industries Limited, PMT Machines Limited and Planatium Infrastructure Pvt. Ltd. He does not hold any shares in the Company.

**Mr. N. B. Patel (DIN-01624527)**

Mr. N. B. Patel is a Science Graduate having more than 47 years of business experience. He has successfully commissioned several civil projects and he was one of the leading contractors in the State of Gujarat. He is also director of Sterling Port Limited. He does not hold any shares in the Company.

**Mr. Chetan J. Sandesara (DIN-00255671)**

Mr. Chetan J. Sandesara, Joint Managing Director, is a commerce graduate and has over 26 years of industry experience in tea, SEZ, port, real estate and machine tools business. He is responsible for the Company's project implementation and day-to-day management.

He holds 52,00,000 shares in the Company. He is also Director of following Companies.

Sr. No.	Name of Company
1	ANTARIKSHA SECURITIES PVT. LTD.
2	AMERICAN BIOTECH LTD.
3	BLUE-MARK MERCANTILE PVT.LTD.
4	BRIGHTDAY PROPERTIES PRIVATE LIMITED
5	CHARISMATIC TRADING PRIVATE LIMITED
6	EMINENCE TRADING PVT. LTD.
7	MAA INFRASTRUCTURE COMPANY LTD.
8	MARUT APPARELS PVT. LTD.
9	NATASHA INVESTMENT CO. PVT. LTD.
10	PUJA AQUA FARMS PVT LTD.
11	PMT ENGINEERING LIMITED
12	PMT OIL RIGS PRIVATE LIMITED
13	RELIQUE LEASFIN PVT. LTD.
14	SEALORD ERECTIONS PVT LTD.
15	SHAMEEK BREWERIES PVT LTD.
16	STERLING GELATIN LTD.
17	STERLING SEZ AND INFRASTRUCTURE LIMITED
18	SHRIPAL INFRASTRUCTURE PVT. LTD.
19	STERLING OIL RESOURCES LIMITED
20	STERLING FREE TRADE AND WAREHOUSING ZONE PVT. LTD.
21	STERLING PORT LIMITED.
22	STERLING NATURAL RESOURCES PRIVATE LIMITED
23	STERLING ENERGY LIMITED
24	STERLING VAYUDUT PVT. LTD.
25	STERLING SEZ AMENITIES LIMITED
26	STERLING SEZ GAS DISTRIBUTORS LTD.
27	STERLING SEZ TRANSPORTATION DEVELOPERS LTD
28	STERLING SEZ DEVELOPERS LTD
29	STERLING WINES PRIVATE LIMITED
30	STERLING SEZ POWER DISTRIBUTORS COMPANY LTD.
31	STERLING VADODARA INTERNATIONAL AIRPORT PVT. LTD.
32	STERLING SEZ TELE SERVICES LIMITED
33	STERLING INTERNATIONAL ENTERPRISES LIMITED
34	PMT MACHINES LIMITED
35	ENSA EXPORTS INDUSTRIES LTD.
36	BLUE-MARK PROPERTIES PRIVATE LIMITED
37	STERLING WASTE MANAGEMENT LTD.
38	BRISK PROPERTIES PRIVATE LIMITED
39	ADITI HOSPITALS PRIVATE LIMITED



Sr. No.	Name of Company
40	UNIQUE PROTEINS PRIVATE LIMITED
41	TITANIC INVESTMENT AND CONSULTANTS PRIVATE LIMITED
42	TARANA EXPORTS PRIVATE LIMITED
43	SWADESHI FINVEST PVT LTD
44	SOHAM PROTEINS PRIVATE LIMITED
45	SANYUKTA INVESTRADE PRIVATE LIMITED
46	ROLLSTAR FINANCE AND INVESTMENT PRIVATE LIMITED
47	RICHMOND INVESTMENTS PVT LTD
48	PRABAL INVESTRADE PRIVATE LIMITED
49	PAYSAN PUBLISHERS PRIVATE LIMITED
50	MODI CAPITAL FINANCE (INDIA) LIMITED
51	JANGPRIYA INVESTMENTS PVT LTD
52	JAICO TEXTILES PRIVATE LIMITED
53	HIZIN TRADING COMPANY PRIVATE LIMITED
54	HELICOPTER SERVICES PRIVATE LIMITED
55	DORAL TRADING PRIVATE LIMITED
56	COYOTE LEASING PRIVATE LIMITED
57	CIEL PORT MANAGEMENT PRIVATE LIMITED
58	BULLWORTH INVESTRADE PRIVATE LIMITED
59	ANULA PROPERTIES PRIVATE LIMITED
60	ANTARIKSHA CAPITAL AND FINANCE (INDIA) PRIVATE LIMITED
61	HAUGHTY PROPERTIES PRIVATE LIMITED

By Order of the Board  
For Sterling Biotech Limited

**Nitin J. Sandesara**  
Managing Director  
(DIN-00255496)

Place: Mumbai  
Date: 24<sup>th</sup> May, 2014

#### EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

##### ITEM No. 5:-

Shri Chetan J. Sandesara (DIN-00255671), was appointed as Joint Managing Director of your Company for five years with effect from 15<sup>th</sup> July, 2008 duly approved by the members vide special resolution dated 30<sup>th</sup> June, 2009. The Term "office" of Shri Chetan J. Sandesara (DIN-00255671) concluded on **14<sup>th</sup> July, 2013**.

The Remuneration Committee at its meeting approved the payment of salary of ₹ 2,00,000 per month in the scale of ₹ 2,00,000 – ₹ 75,000 – ₹ 9,00,000 per month and other Perquisites to Shri Chetan J. Sandesara (DIN-00255671) on his re-appointment as Joint Managing Director.

The Board of Directors of your Company at its meeting held on 14<sup>th</sup> August, 2013 has unanimously re-appointed Shri Chetan J. Sandesara (DIN-00255671), as Joint Managing Director of the Company for a period of five years with effect from 15<sup>th</sup> July, 2013 subject to approval of members. Before entering into the agreement, Your Company has circulated to the members the Abstract of the terms of the contract/agreement to be entered into by the Company with Chetan J. Sandesara, Joint Managing Director of the Company in pursuance to

Section 302 (7) of the Companies Act, 1956.

The terms and conditions including the remuneration payable to Shri Chetan J. Sandesara (DIN-00255671) as Joint Managing Director is specified in the resolution listed at Item No. 5 of the Notice.

The Agreement entered into by the Company regarding the appointment and payment of remunerations will be available for inspection at the Registered Office of the Company on all Working Days between 11.00 A.M. to 01.00 P.M. up to the date of this Annual General Meeting.

Your Directors recommend passing of the resolution.

None of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personnel of the Company is in any way concerned or interested in the Resolution except Shri Nitin J. Sandesara (DIN-00255496) and Shri Chetan J. Sandesara (DIN-00255671), Directors of the Company are concerned or interested in this Special resolution.

**ITEM No. 6 :-**

In terms of the provisions of Portfolio Investment Scheme under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the ceiling for overall investment for Foreign Institutional Investors (FIIs) is 24 per cent of the paid up capital of the company and 10 percent for Non Resident Indians (NRIs) and Person of India Origin (PIOs). The ceiling of 24 per cent for FIIs investment can be raised up to sectoral cap/statutory ceiling and the ceiling of 10 percent for NRIs/ PIOs can be raised to 24 percent of the equity paid up capital of the Company, subject to the approval of the board and the general body of the company by passing a special resolution to that effect.

The Board of Directors of the Company at its meeting held on 28<sup>th</sup> February, 2014, inter alia, proposed, subject to the approval of Members by way of a special resolution, to enhance the said FIIs and NRIs/PIOs investment ceiling limit upto 74 percent and 24 percent respectively of the equity paid up capital of the Company which are the limits permitted by the Reserve Bank of India.

The resolution set out in the accompanying Notice will enable the FIIs and NRIs/PIOs to acquire shares of the Company through authorised dealers within the revised ceiling under the Portfolio Investment Scheme.

Hence, the Board of Directors recommends the special resolution set out in the Notice for your approval.

It may be noted that Directors who are members of the Company, may be deemed to be concerned or interested in this Resolution only to the extent of their respective Shareholding in the Company to the same extent as that of every other member of the Company.

Other than above none of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personal of the Company is in any way concerned or interested in this Special Resolution.

**ITEM No. 7 :-**

Section 180(1)(c) of the Companies Act, 2013, requires the Board of Directors of the Company to obtain approval of the members to borrow monies (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up capital of the Company and its free reserves not set apart for any specific purpose. At the Annual General Meeting held on 30<sup>th</sup> June, 2010, authority was accorded to the Board of Directors of your company to borrow for the purpose of business of the Company up to Rs. 10,000 Crores (Rupees Ten Thousand Crores Only). However, The Ministry of Corporate Affairs issue circular dated 25<sup>th</sup> March, 2014 clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to 12<sup>th</sup> September, 2013 with reference to borrowings (subject to the limit prescribed) and/or creation of security on assets of the Company will be sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. from 12<sup>th</sup> September, 2013. Our Company requires to renew the borrowing limit upto ₹10,000 Crores pursuant to Section 180 of the Companies Act, 2013.

Further in view of the changes that are taking place in the banking and financial sector, funds at cheaper rates of interest are available by way of term loans either in the domestic and foreign currency. The company may resort to borrowing through debt instruments. Such cheaper loans can be used for the financial requirements of the company and also for replacing high cost working capital facilities / other loans which will reduce the interest cost to the Company. It is therefore necessary to increase/renew such borrowing powers upto ₹ 10,000 Crores (Rupees Ten Thousand Crores Only) which amount exceeds the limit of the aggregate of the paid up capital and free reserves of the company.

Your Directors recommend passing of the Special resolution.

None of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personnel of the Company is in any way concerned or interested in this Special Resolution.

**ITEM No. 8 :-**

Section 180(1)(a) of the Companies Act, 2013, requires the Board of Directors of the Company to obtain approval of the members to sell/dispose of whole or substantially whole of the undertaking of the Company subject to approval of members by way of Special Resolution. At the Annual General Meeting held on 30<sup>th</sup> June, 2010, authority was accorded to the Board of Directors of your company under Section 293 (1) (a) of the Companies Act, 1956 to sell/dispose/mortgage/charge the assets of the Company to secure limit up to ₹ 10,000 Crores (Rupees Ten Thousand Crores Only). However, The Ministry of Corporate Affairs issue circular dated 25<sup>th</sup> March, 2014 clarified that the the resolution passed under section 293 of the Companies Act, 1956 prior to 12<sup>th</sup> September, 2013 with reference to borrowings (subject to the limit prescribed) and/or creation of security on assets of the Company will be sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. from 12<sup>th</sup> September, 2013. Our Company requires to renew the Mortgage/Charge limit upto ₹ 10,000 Crores pursuant to Section 180 of the Companies Act, 2013.

With a view to finance the assets as well as working capital requirements from time to time it may be necessary for the Company to borrow funds by way of loans, bonds, securities or other instruments having aggregate value not exceeding ₹ 10,000 Crores (Rupees Ten Thousand Crores Only) from Financial Institutions / Banks / NBFC or from any other Lenders. These Loans are required to be secured by creation of Charge/Mortgage on movable / immovable assets of the Company favoring the lending institution(s). As per the provisions of Section 180(1)(a) of the Companies Act, 1956, the power under this section can be exercised by the Board only with the consent of the General Body by way of Special Resolution.

Your Directors recommend passing of the Special resolution.

None of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personnel of the Company is in any way concerned or interested in this Special Resolution.

**ITEM NO. 9:-**

For enabling the Company to raise the funds in the form of Preference Shares, the Company needs to increase its Authorised Capital to ₹ 28,000,000,000/- (Rupees Two Thousand Eight Hundred Crores..only) divided into 500,000,000 (Fifty Crores) Equity Shares of ₹ 1/- each and 2,750,000,000 (Two Hundred Seventy Five Crores) Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of ₹ 10/- each and the needs to alter the Clause V of the Memorandum of Association of the Company.

In order to authorize to the Board for taking further action, it is necessary to pass the said Ordinary resolution for increase in Authorised Capital of the Company and alteration of Clause V of the Memorandum of Association of the Company as set out in the Special Item No.9 of the notice.

None of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personnel of the

Company is in any way concerned or interested in this Resolution except, to the extent of their holding in the shares of the Company.

**ITEM NO. 10:-**

The proposed Special Resolution set out at Item No. 10 is an enabling Resolution authorizing the Board of Directors to raise resources by issue of 2,750,000,000 Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no Voting Rights, of face value of ₹ 10/- each ("Preference Shares"), for the purpose of meeting general corporate purposes, Augment the long term resources for long term financial needs of the Company including payment of overdues and refinancing of the existing debt.

The Preference Shares may be issued in one or more tranches to the various entities/persons which may include the Promoters/Promoter Group & Associates whether or not they are member(s) of the Company, on private placement basis. The said enabling resolution empowers the Board to issue 2,750,000,000 Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights, of face value of ₹ 10/- each, from time-to-time, on such terms and conditions mentioned below, including but not limited as to the rate of dividend, period and manner of redemption, amount of premium on redemption, without any Voting Rights, except as provided in new act if any, as the Board in its absolute discretion may determine;

Terms and Conditions:

- 1) **The size of the issue and number of preference shares to be issued and nominal value of each share** - issue and allot, in one or more tranches, 2,750,000,000 Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of face value of ₹ 10/- each ("Preference Shares"),
- 2) **The nature of such shares i.e. cumulative or non - cumulative, participating or non - participating , convertible or non - convertible** - Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights.
- 3) **The objectives of the issue** – For meeting general corporate purposes, Augment the long term resources for long term financial needs of the Company including payment of overdues and refinancing of the existing debt
- 4) **The manner of issue of shares** – Private Placement
- 5) **The price at which such shares are proposed to be issued** – ₹ 10/- each.
- 6) **The terms of issue, including terms and rate of dividend on each share, etc.** – Rate of Dividend @ 8% P.A. on the face value of Preference Share
- 7) **The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion** – Unlisted 8% Redeemable at the end of 15 Years from the date of Allotment with the option to the Company to redeem before the Tenure in accordance with the provisions of the Companies Act, 1956 and / or the new act as may be applicable from time to time, Redemption at face value of ₹ 10/- each with no conversion right.
- 8) **The manner and modes of redemption** – Settlement by way of Proper Banking Channel.
- 9) **The current shareholding pattern of the company** – As per Annual Report Page No. 16.
- 10) **The expected dilution in equity share capital upon conversion of preference shares** – Not Applicable as the Preference Shares are non-convertible preference shares.

The Board shall also be authorized to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time-to-time in consultation and agreement with the subscribers/ holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to

provisions of the Companies Act, 2013 ('the new act') and / or Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

The Preference Shares shall rank in priority to Equity Shares for repayment of Capital and payment of dividend.

The Preference Shares shall be transferred in the same manner as Equity shares. The Preference Shares shall be redeemed in accordance to the provisions of the Companies Act, 2013 ('the new act') and / or the Companies Act, 1956, as applicable from time to time and the Memorandum and Articles of Association of the Company.

Pursuant to provisions of Sections 55, 62, 23, 24 & 42 and all other applicable provisions as well as Rules, if any, of the Companies Act, 2013 ('the new act') and / or Companies Act, 1956 as applicable from time to time and the Listing Agreement entered into with the Stock Exchange, any offer or issue of shares in a company to persons other than the shareholders of the company requires prior approval of the Members in General Meeting by way of a Special Resolution. The consent of the Members is therefore, sought to authorize the Board to issue Preference Shares as aforesaid. The Board of Directors of the Company recommends the Resolution set out at Item No. 2 of the accompanying Notice for the approval of the Members, in the best interest of the Company.

As the Preference Shares proposed to be issued by this resolution are "**Unlisted 8% Redeemable Cumulative Non-Participating Non-convertible Preference Shares carrying no Voting Rights**", the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), are not applicable. Further, as a result of proposed allotment of **Unlisted 8% Redeemable Cumulative Non-Participating Non-convertible Preference Shares carrying no Voting Rights**, there will not be any change in management control of the Company.

None of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personnel of the Company is in any way concerned or interested in this Special Resolution except to the extent of shares that may be offered and/or allotted to them.

By Order of the Board  
For Sterling Biotech Limited

**Nitin J. Sandesra**  
Managing Director  
(DIN-00255496)

Place: Mumbai

Date: 24<sup>th</sup> May, 2014