



MANPASAND
BEVERAGES LTD.

September 6, 2020

To,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai- 400 001.
Security Code:- **539207**
ISIN:- **INE122R01018**

To,
The Listing Department,
National Stock Exchange of India Limited
5th Floor, "Exchange Plaza", Bandra-Kurla
Complex," Bandra (East), Mumbai-400 051.
Security ID:- **MANPASAND**
ISIN:- **INE122R01018**

Dear Sir/Madam,

Sub:- Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Letter received from SEBI.

As directed by the Securities and Exchange Board of India (SEBI), we are enclosing letter dated September 4, 2020 received from SEBI, which is self-explanatory. The letter is in relation to obtaining Shareholders' approval for the re-appointment of the Managing Director (MD) and Whole-Time Director (WTD) of the Company.

This is for your information and record.

Thanking You,

Yours faithfully,

For Manpasand Beverages Limited

Bhavesh Jingar
Company Secretary & Compliance officer
Mem. No. A28011





Pradeep Ramakrishnan
General Manager
Compliance and Monitoring Division-1
Corporation Finance Department

**भारतीय प्रतिभूति
और विनियम बोर्ड**
**Securities and Exchange
Board of India**

SEBI/HO/CFD/CMD1/OW/2020/14396/1

September 4, 2020

To

Mr. Nishish Mobar
Mr. Vimal Rav Jibhai Patel
Mr. Kaushal Ameta
Ms. Shikha Jain
Mr. Abhishek Dharendra Singh
Mr. Dharendra Hansraj Singh

collectively, 'the Board of Directors'

Manpasand Beverages Ltd.,
1768 & 1774/1, GIDC Estate, Savli Road
Vadodara, Gujarat - 391775

Sir/Madam,

Sub: Advisory-and-Warning in relation to compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. This has reference to the correspondence with Manpasand Beverages Limited ('Manpasand' / 'Company') on the issue of re-appointment of the Managing Director (MD) and Whole-time Director (WTD) of the Company.
2. It is observed that the following events in relation to the re-appointment of the MD and WTD of the Company have happened during the last eight months:
 - a. On December 30, 2019, the Company conducted its Annual General Meeting (AGM). The following four resolutions were not approved by the shareholders at the AGM:
 - i. Reappointment of Dharendra Singh as the MD of the Company
 - ii. Reappointment of Abhishek Singh as a WTD of the Company
 - iii. Reappointment of Bharti Naik as an Independent Director of the Company
 - iv. Waiver of recovery of excess managerial remuneration paid to Dharendra Singh for the financial year ended on March 31, 2019
 - v. Waiver of recovery of excess managerial remuneration paid to Abhishek Singh for the financial year ended on March 31, 2019.
 - b. However, on January 3, 2020 i.e. within three days of the aforesaid resolutions being rejected by the shareholders at the AGM, the company's board convened a meeting, in which Dharendra Singh and Abhishek Singh were again appointed as Managing Director and Whole time director, respectively, for a period of 5 years, subject to shareholder approval. No general meeting has been held till date to take the approval of the shareholders for such appointment.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



अनुवर्ती :
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**Securities and Exchange
Board of India**

- c. On queries made by SEBI, the Company vide email dated March 21, 2020 had stated as under:
- The Company has decided to conduct its General Meeting after appointing one new director on the Board of the Company so that approval of shareholders can be taken at one go.
 - Dhirendra Singh has agreed to pay the excess remuneration amounting to Rs. 126.00 Lakhs to the Company and requested to the Company to settle such amount against loan provided by him to the Company. The Company has decided to recover such amount from him within 6 months i.e. upto August, 2020.
 - Abhishek Singh has agreed to pay the excess remuneration amounting to Rs.26 lakhs to the Company and requested the Company to settle such amount against his salary to be paid by the Company.
- d. Shikha Jain was appointed as an additional independent director of the Company w.e.f. July 9, 2020 till the conclusion of the AGM, subject to shareholder approval.
- e. The Company has submitted, vide email dated July 31, 2020, that obtaining the consent of shareholders either by way of a EGM or postal ballot has associated costs and therefore the company has decided to wait for the AGM as it is a statutory requirement.
3. In this context, the following are SEBI's observations:
- Appointment of Dhirendra Singh and Abhishek Singh as MD and WTD:

As a practice of good governance, the Company must have obtained the shareholder approval on appointment of Dhirendra Singh and Abhishek Singh, as MD and WTD respectively, at the earliest, since these appointments were rejected by the shareholders in the previous AGM. However, the appointments have not yet been placed before the shareholders for their approval which is against the essence of good Corporate Governance.
 - Appointment of independent director:

The Company had earlier informed SEBI that shareholders' approval for appointment of the MD as well as WTD would be taken once a new director is appointed. However, the said appointment by the board (i.e., appointment of Shikha Jain as independent director) has happened after a considerable delay. None of the three appointments has yet been placed before the shareholders for approval.
 - Status of recovery of excess remuneration:

The current status of recovery of excess remuneration paid to Dhirendra Singh and Abhishek Singh is not known to the shareholders. Though the Company has undertaken that it will adjust excess remuneration paid against recovery of the amount, there are no public disclosures yet about the same.



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4. The provisions of regulation 4(2)(f)(iii)(3) & (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) are brought to your notice, in this regard:

"...Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders....

...The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders..."

As can be seen from the above, the board has not taken any steps to place the resolutions for appointment of the aforesaid directors for approval of the shareholders. This is a serious lapse in governance as persons whose appointments as directors were rejected by the shareholders continue to operate in key positions even after such rejection, which is not in the interest of the shareholders. This inaction by the board is in violation of the aforementioned principles of the LODR. This is viewed very seriously and the board of directors of the Company are warned for this serious lapse in governance.

5. After taking into consideration the facts mentioned above, the following advisory is issued to the company and its board of directors, whereby they shall take immediate steps:
- To call for an Extraordinary General Meeting (EGM) or Annual General Meeting (AGM) **on or before September 30, 2020** and place the resolutions for appointment of the aforesaid directors for approval of the shareholders;
 - To recover excess remuneration paid to Dharendra Singh and Abhishek Singh for FY 2018-19 and inform the shareholders of the same in such EGM/AGM.
6. You are advised to disseminate this advisory to the stock exchanges, who shall take note of the contents of this letter.

Yours faithfully,


Pradeep Ramakrishnan

Copy to BSE and NSE (via email)