

NOTICE

Notice is hereby given that the **44th ANNUAL GENERAL MEETING** of the members of **SRI KRISHNA PHARMACEUTICALS LIMITED** will be held on Wednesday, 31st July, 2019 at 10.30 A.M. at Uppal Industries Association Hall, Industrial Area, Uppal, Hyderabad - 500 039 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement of the company as at 31st March, 2019 and the Report of Board and the Auditors thereon.
2. To appoint a Director in place of Mr. V. V. Krishna Reddy (DIN: 00024216) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. V. V. Subba Reddy (DIN: 00626671) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To approve the remuneration payable to the cost auditor of the company for the financial year 2019-20.**

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 Sec. 148 and all other applicable provisions of the Companies Act, 2013 read with the rules made there under and other applicable provisions if any of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, the consent of the members be and is here by accorded to pay a remuneration of Rs.100,000/- per annum plus out of pocket expenses to Mr. N. V. S. Kapardi, Cost Accountant, the Cost Auditor of the Company for conducting the Audit of the cost records of the Company for the financial year 2019-20.”

5. **Revision of remuneration of Mr. Pranesh Raj Mathur, Whole Time Director (DIN: 05271355) of the Company.**

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 Sec. 197, 198 and 203 and all other applicable provisions, if any of the Companies Act, 2013 read with the Schedule V and the rules made thereunder, including any statutory modifications or re-enactments thereof, the approval of the members be and is hereby accorded for revising the remuneration payable to Mr. Pranesh Raj Mathur, Whole Time Director (DIN: 05271355) of the Company to Rs. 7,68,000/- (Rupees seven lakhs sixty eight thousand only) per month w.e.f. 1st January, 2019 for the remaining period of his tenure of office.”

“**RESOLVED FURTHER THAT** the remuneration payable to Mr. Pranesh Raj Mathur, Whole Time Director (DIN: 05271355) of the Company shall also be the minimum remuneration payable in the event of loss or any inadequacy of profits in any particular financial year during his tenure.”

6. Re-appointment of Mr. V.V. Krishna Reddy (DIN: 00024216) as Managing Director of the company

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 Sec. 196, 197 and 203 read with Schedule V and the rules made there under and any other applicable provisions if any of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. V. V. Krishna Reddy (DIN: 00024216) as the Managing Director of the Company for a term of 3 (three) years w.e.f. 24th September, 2019 at a remuneration of Rs.3,50,000/- (Rupees three lakhs and fifty thousand only) per month as managerial remuneration which shall also be the minimum remuneration payable in the event of loss or any inadequacy of profits in any particular financial year during his tenure.”

7. Re-appointment of Dr. V.V. Subba Reddy (DIN: 00626671) as Whole-Time Director and Chairman of the Company

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 Sec. 196, 197 and 203 read with Schedule and the rules made there under and any other applicable provisions if any of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, consent of the members be and is hereby accorded for the re-appointment of Dr. V. V. Subba Reddy

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(DIN: 00626671) as the Whole Time Director and Chairman of the Company for a term of 3 (three) years w.e.f. 24th September, 2019 at a 4,00,000/- (Rupees four lakhs only) per month as managerial remuneration which shall also be the minimum remuneration payable in the event of loss or any inadequacy of profits in any particular financial year during his tenure.”

8. To consider and approve the Re-Appointment of Dr. C. Gopala Krishna Murty (DIN: 00339331) as an Independent Director of the company:

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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), Dr. C. Gopala Krishna Murty (DIN: 00339331), who was appointed as an Independent Director and who holds office of Independent Director up to conclusion of the 44th Annual General meeting of the Company, and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from 31st July, 2019 to 30th July, 2024 on the Board of the Company.”

BY ORDER OF THE BOARD

Place: Hyderabad

Date: 11/05/2019

**SHILPA BUNG
COMPANY SECRETARY**

Sri Krishna Pharmaceuticals Limited

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy forms in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
4. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business set out above is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **26th July, 2019 to 31st July, 2019 (both days inclusive)** for the purpose of Annual General Meeting.
7. Member/Proxy holder must bring the attendance slip to the meeting and hand it over at the entrance duly signed.
8. The annual report for the financial year 2018-19 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company. The members who have not received the same may send a request to the Company.

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, no amount was required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st July, 2018 (date of the last Annual General Meeting) on the website of the IEPF (www.iepf.gov.in) as also on the website of the Company (www.srikrishnapharma.com). Information in respect of unclaimed dividend

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pursuant to the provisions of Section 124 of the Companies Act, 2013 (corresponding provisions of Section 205A of the Companies Act, 1956), and the dates by which they need to be transferred is given below:

Financial year	Date of declaration	Due date for transfer to IEPF
2011-12	29/09/2012	04/11/2019
2012-13	30/10/2013	05/12/2020
2013-14	22/09/2014	28/10/2021
2014-15	31/07/2015	05/09/2022
2015-16	03/03/2016	08/04/2023
2016-17	31/07/2017	05/09/2024
2017-18	31/07/2018	05/09/2025

Members should write to the Company if they have not encashed the dividend warrants so far in respect of the aforesaid financial year(s), well in advance of the above due dates.

- Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has during the financial year 18-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. Details of the shares transferred to the IEPF Authority are available on the website of the Company.
- Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html>. for lodging claim for refund of shares and/or dividend from the IEPF Authority.

Statement Pursuant to Section 102 of the Companies Act, 2013

ITEM NO.5:

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board has, on the recommendation of the Audit Committee, approved the appointment of Mr. N. V. S. Kapardi, Cost Accountant as the Cost Auditor of the Company to conduct Cost Audit relating to businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder for the financial year 2019-20, at a remuneration of Rs.100,000 /- per annum plus out-of-pocket expenses.

Mr. N. V. S. Kapardi has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the past years.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20.

None of the Directors / Key Managerial Personnel /Managers of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution for your approval.

ITEM NO. 6:

Pursuant to Section 196,197, 203 and read with schedule V and other applicable provisions, if, any, of the Companies Act, 2013 proposes the revision of remuneration payable to the Whole Time Director of the Company.

INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

I. General Information:

- (1) Nature of industry:** Our Company is active in the business of Pharmaceutical Raw materials (API's); Direct Compression Granules, Drug Delivery Systems, Tablets, Capsules, Vitamins & Nutraceuticals.

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(2) **Date of commencement of commercial production:** The Company has commenced its business from 1975.

(3) **Financial performance:**

(As per the latest audited accounts on 31st March, 2019)

Particulars	₹ in lakhs
Profit/ (Loss) before tax	(845.67)
Less: Current Tax	–
Deferred Tax	(267.58)
Profit/ (Loss) after Tax	(578.10)

II. Information about the appointee:

(1) **Background details:**

Name	Pranesh Raj Mathur
Father's Name	Jai Raj Mathur
Date of Birth	26/06/1955
Educational qualification	B.Sc., A.C.A., M.B.A. (Osmania), PGPMAX (ISB)

(2) **Past remuneration:**

Monthly remuneration	Rs. 7,32,000/-
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(3) **Recognition or awards: Nil**

(4) **Job profile:**

Mr. Pranesh Raj Mathur is responsible for the functions of Finance and Accounts, Information technology and Secretarial functions of the Company.

(5) **Remuneration proposed:**

Name	Pranesh Raj Mathur
Monthly Remuneration	Rs. 7,68,000/-

(6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The Board felt that the remuneration proposed is on lower side while considering the industry standards and their experience.

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- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** The above said Director does not have any pecuniary relationship with the Company or any relationship with the managerial personnel either directly or indirectly.

Other information:

- (1) Reasons of loss or inadequate profits:
 - (a) Lower market prices for the products for paracetamol
 - (b) Higher Raw material prices which was passed on to the customers with a time lag
- (2) The raw material prices increased during the period from June, 2018 to Jan 2019 due to supply constraints. There has been a reduction from Feb 2019 and we expect that the prices will return to normalcy by June, 2019
- (3) Expected increase in productivity and profits in measurable terms:

The reduction in prices of raw material will enable the Company to achieve normal profits.

Save and except the above said Director and his relatives, to the extent of his shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel/ Managers of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolutions for your approval.

ITEM NO. 7&8:

Pursuant to Section 196, 197, 203 and in accordance with the recommendations of the Nomination and Remuneration Committee, read with schedule V and other applicable provisions, if, any of the Companies Act, 2013 Board of Directors of the Company proposes the re-appointment of Mr.V.V. Krishna Reddy (DIN: 00024216) Managing Director and Dr. V.V. Subba Reddy (DIN: 00626671) Whole Time Directors for another period of 3 years with effect from September, 2019, subject to the approval of members of the company.

Dr. V.V. Subba Reddy has attained the age of 77 years and as per the requirement of the Schedule V Part I (c) of the Companies Act, 2013 if a Managing or Whole Time Director has attained the age of 70 years then his appointment/continuation needs to be approved by a special resolution passed by the Company in General Meeting.

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INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

I. General Information:

(1) **Nature of industry:** Our Company is active in the business of Pharmaceutical Raw materials (API's); Direct Compression Granules, Vitamins, & Nutraceuticals.

(2) **Date of commencement of commercial production:** The Company has commenced its business from 1975.

(3) **Financial performance:**

(As per the latest audited accounts on 31st March, 2019)

Particulars	₹ in lakhs
Profit/ (Loss) before tax	(845.67)
Less: Current Tax	-
Deferred Tax	(267.58)
Profit/ (Loss) after Tax	(578.10)

II. Information about the appointee:

(1) Background details:

Name	V.V. Krishna Reddy	V.V. Subba Reddy
Father's Name	Vempalli Venkata Subba Reddy	Late Vankatapathi Reddy
Date of Birth	31-08-1966	26-09-1942
Educational qualification	Chemical Engineer	M.Sc., (Tech.); Ph.D.

(2) Past remuneration:

Name	V.V. Krishna Reddy	V.V. Subba Reddy
Monthly Remuneration	Rs. 3,00,000	Rs. 3,50,000

(3) Recognition or awards: Nil

(4) **Job profile:** Responsible for the functions of overall supervision of the Company

(5) Remuneration proposed:

Name	V.V. Krishna Reddy	V.V. Subba Reddy
Monthly Remuneration	Rs. 3,50,000	Rs. 4,00,000

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- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The Board felt that the remuneration proposed is on lower side while considering the industry standards and his experience.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mrs. V. Satyavathi, Director of the Company is the wife of the Chairman Dr. V. V. Subba Reddy and mother of Mr. V. V. Krishna Reddy.

The number of shares held by the Directors in the Company is as follows:

Dr. V. V. Subba Reddy: 19,10,965

Mr.V.V. Krishna Reddy: 23,38,771

Other information:

- (1) Reasons of loss or inadequate profits:
- (a) Lower market prices for the products for paracetamol
 - (b) Higher Raw material prices which was passed on to the customers with a time lag
- (2) The raw material prices increased during the period from June, 2018 to Jan 2019 due to supply constraints. There has been a reduction from Feb 2019 and we expect that the prices will return to normalcy by June, 2019
- (3) Expected increase in productivity and profits in measurable terms:

The reduction in prices of raw material will enable the Company to achieve normal profits.

Save and except the above, said Director and his relatives, to the extent of his shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel/Managers of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolutions for your approval.

ITEM NO. 9:

Dr. C. Gopala Krishna Murty is an Independent Director of the Company. He is associated with the Company as a Director since 1989.

As per Section 149 of the Companies Act, 2013, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in

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the total number of directors for retirement by rotation. He was appointed as the Independent Director at the 39th Annual General Meeting of the Company for a period of 5 years till the conclusion of 44th Annual General Meeting of the Company.

The Board as per the recommendations of the Nomination and Remuneration Committee proposes his re-appointment and the Company has also received notice from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of the above said Director for the office of Directors of the Company.

In pursuance of Sec. 152, the proposed appointment requires the approval of the Shareholders of the Company and your Directors recommend the resolution for your approval.

Dr. C. Gopala Krishna Murty declared his independency as per the provisions of Sec. 149 in the first Board meeting held on 11th May, 2019. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. He does not hold Equity Shares of the Company.

Save and except Dr. C. Gopala Krishna Murty and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel/ Managers of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

BRIEF PROFILE OF THE INDEPENDENT DIRECTOR PURSUANT TO SCHEDULE IV OF THE COMPANIES ACT, 2013

Dr. C. Gopala Krishna Murty, having obtained Post Graduate degree in Pharmacy (1951) from Andhra University had joined the State Drugs Control Department, AP in 1952. In his carrier spreading over 37 years, held several positions with distinction in the Department culminating as Director, Drugs Control Administration, a post he held for over seven years (1982-1989).

He had the distinction of the first technically qualified officer appointed for the post. He had established the department and he is a pioneer in the enforcement of the Drugs and Cosmetics Act. He played a catalytic and pivotal role in ensuring that Andhra Pradesh has a pride of place in the field of Drugs and Pharmaceuticals.

Dr. C. Gopala Krishna Murty was awarded Fellowship by WHO (1969-70) – to study the Drugs Control Administration and Pharma Industry. Dr. C. Gopala Krishna Murty has been associated with Academia of Kakatiya, Andhra and Madurai Universities, Board of Technical Education, All India Council of Technical Education. His continued concern and commitment to the Pharma

Sri Krishna Pharmaceuticals Limited

Education resulted in becoming one of the Founder Trustees and Managing Trustee of Andhra University pharma Alumini Charitable Trust (AU PACT) established in 1995 which oversees provision and upgrading the Pharma facilities in the Department of Pharmaceutical Sciences, Andhra University. He has been the guiding force to professional organizations like Pharmacy Council of AP- as its President; and of India – as its Executive Council Member for a period of Five years. He was also a member of the Statutory Committees like the Drugs Technical Advisory Board and Drugs Consultative Committee under the Drugs and Cosmetics Act.

For his contributions to several fields in Pharmacy, Dr. C. Gopala Krishna Murty was awarded a Fellowship of the Academy of Sciences, AP (1981); Pharmacist of the Year Award (1993) by the IPA, AP; and Fellowship of IPA (1997). He held positions as the Hon General Secretary of the IPCA during 1989-92, President of IPA, AP State for over Ten Years; Chairman- Regulatory Affairs Division and Vice President IPA for 1997-2000. He has participated in several National and International conferences related to Pharma including FAPA and Commonwealth Pharmaceutical conferences.

Dr. C. Gopala Krishna Murty was the President of the Indian Pharmaceutical Congress Association for the year 2000-2001 and had the honour of presiding the 52nd IPC held in Hyderabad in December, 2000.

BY ORDER OF THE BOARD

Place: Hyderabad

Date: 11/05/2019

**SHILPA BUNG
COMPANY SECRETARY**

SRI KRISHNA PHARAMACEUTICALS LIMITED

Registered Office: C-4, Industrial Area, Uppal, Hyderabad, Telangana - 500 039.
CIN: U24230TG1974PLC001790

Admission slip

Folio No./DP ID & Client ID.....

No. of Shares held.....

I declare that I am a registered Shareholder of the Company

(Member's Signature)

I hereby record my presence at the **44th Annual General Meeting of the Company** being held at Uppal Industries Association Hall, Industrial Area, Uppal, Hyderabad - 500 039 **on Wednesday, 31th July, 2019 at 10.30 a.m.** as member/as a Proxy appointed by _____

(Signature of Member/Proxy)

- NOTE: 1. A member/Proxy attending the meeting must complete this admission slip and hand it over at the entrance.
2. Member intending to appoint a Proxy, should complete the Proxy form below and deposit at the Company's Registered Office not less than 48 hours before the commencement of the meeting.

Sri Krishna Pharmaceuticals Limited

SRI KRISHNA PHARAMACEUTICALS LIMITED

Registered Office: C-4, Industrial Area, Uppal, Hyderabad, Telangana - 500 039.
CIN: U24230TG1974PLC001790

Name of the member(s):

Registered Address:

E-Mail ID:

Folio No/ Client ID:

DPID:

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature : , or failing him
2. Name :
Address :
E-mail Id :
Signature : , or failing him
3. Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the company, to be held on Wednesday, 31st July, 2019 at 10.30 A.M at Uppal Industries Association Hall, Industrial Area, Uppal, Hyderabad - 500039 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	RESOLUTIONS
1.	To receive, consider and adopt the Financial Statement of the company as at 31st March, 2019 and the Report of Board and the Auditors thereon.
2.	Re-Appointment of Mr. V. V. Krishna Reddy (DIN: 00024216) who retires by rotation and being eligible, offers himself for re-appointment.
3.	Re-Appointment of Mr. V. V. Subba Reddy (DIN: 00626671) who retires by rotation and being eligible, offers himself for re-appointment.
4.	Approval of the remuneration to Cost Auditor.
5.	Revision of remuneration of Mr. Pranesh Raj Mathur, Whole Time Director (DIN: 05271355) of the Company.
6.	Re-appointment of Mr. V.V. Krishna Reddy (DIN: 00024216) as Managing Director of the Company.
7.	Re-appointment of Dr. V.V. Subba Reddy (DIN:00626671) as Whole-Time Director and Chairman of the Company.
8.	Re-appointment of Dr. C. Gopala Krishna Murty (DIN: 00339331) as an Independent Director of the Company.

Signed this _____ day of _____ 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP

