

29th
Annual Report
2016-2017



GODAVARI DRUGS LIMITED

Regd. Office : 1-8-303/34, Mayfair,
Sardar Patel Road, Secunderabad - 500 003. Telangana State.



BOARD OF DIRECTORS:

| | | |
|-------------------------|---|---|
| SHRI GHANSHYAM JAJU | : | CHAIRMAN |
| SHRI MUKUND KAKANI | : | MANAGING DIRECTOR |
| SHRI KIRTI KUMAR JAIN | : | DIRECTOR FINANCE |
| SHRI MOHIT JAJU | : | EXECUTIVE DIRECTOR |
| SHRI DILIP PATEL | : | INDEPENDENT DIRECTOR |
| SHRI S.A.HUSSAIN | : | INDEPENDENT DIRECTOR |
| SHRI RAMESH BABU TELUGU | : | INDEPENDENT DIRECTOR |
| SMT VIMALA MADON | : | INDEPENDENT DIRECTOR |
| SHRI JEEVAN INNANI | : | COMPANY SECRETARY & COMPLIANCE OFFICER |

Annual General Meeting

12th September, 2017

at 3.30p.m.

at FTAPCCI

J. S. Krishnamurthy Hall

Red Hills, Hyderabad

Bankers :

Andhra Bank
State Bank of Hyderabad
HDFC Bank

Auditors :

M/s. S.DAGA&CO., Hyderabad

Registered Office :

1-8-303/34, "Mayfair",
Sardar Patel Road,
Secunderabad - 500 003, India.
Phones: (040) 27849700,27844557.
Fax: (040) 27849859
Email: info@godavaridrugs.com

Factory :

A 6/2, M.I.D.C., Nanded - 431603.
Maharashtra.

Registrars:

CIL Securities Ltd.
214, Raghavaratna Towers. Chiragali lane,
Abids, Hyderabad - 500 001.



NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Members of “**Godavari Drugs Limited**” will be held at J.S. Krishna Murthy Hall, FTAPCCI Premises, 11-6-841, Red Hills, Hyderabad -500004 on 12th day of September, 2017 at 03.30 p.m. to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mukund Kakani (DIN 00104646) who retires by rotation and being eligible, offers himself for re-appointment.
3. **Appointment of Auditor:**

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

EXPLANATION: The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/s S. Daga & Co. (FRN 000669 S), Chartered Accountant have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 29th AGM. The audit committee of the Company has proposed and on May 30, 2017, the Board has recommended the appointment of M/s K.C. Bhattacharjee & Paul, Chartered Accountants (FRN 303026E) as the statutory auditors of the Company. M/s K.C. Bhattacharjee & Paul, Chartered Accountants (FRN 303026E) will hold office for a period of five consecutive years from the conclusion of the 29th Annual General Meeting of the Company till the conclusion of the 34th Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year:

“RESOLVED THAT, pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposals of the audit committee of the Board and recommendation of the Board, M/s K.C. Bhattacharjee & Paul, Chartered Accountants (FRN 303026E) be and is hereby appointed as the statutory auditors of the Company, to hold office until the conclusion of the 34th Annual General Meeting to be held in the year 2022 (subject to ratification of their re-appointment at every next Annual General Meeting), commencing from the financial year 2017-18, on such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.”

SPECIAL BUSINESS:

4. 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 the Companies (Audit and Auditors) Rules, 2014, M/s. Bharathula & Associates, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2017-18, be paid a remuneration of Rs.20000 per annum plus applicable service tax and out of pocket expenses that may be incurred.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), subject to the provision of Articles of Association and approval of the members in the Annual General Meeting and subject to such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, the consent of the Board of Directors be and is hereby accorded for the appointment of Mr.Mukund Kakani (DIN 00104646) (DIN: 00104646) as the Managing Director of the Company for a period of five years from the conclusion of the ensuing AGM until the conclusion of the AGM to be held in the Financial Year 2022-23 and payment of remuneration for the aforesaid period on the terms and conditions as approved by the Remuneration Committee in its meeting.”

6. 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 Sections 152, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Rules made thereunder of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), consent of the Shareholder of the Company be and is hereby accorded to re-appointment and decide the terms of remuneration of Mr.Kirti Kumar Jain (DIN:00076657) as the Executive Director of the Company in the ensuing Annual General Meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr.Kirti Kumar Jain (DIN:00076657).

7. 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 Sections 152, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Rules made thereunder of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), consent of the Shareholder of the Company be and is hereby accorded to re-appointment and decide the terms of remuneration of Mr.Mohit Jaju (DIN: 03405414) as the Executive Director of the Company in the ensuing Annual General Meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr.MohitJaju (DIN: 03405414).

By order of the Board of Directors
For **Godavari Drugs Limited**
CIN: L24230TG1987PLC008016

Place: Secunderabad
Date: 30.05.2017

Jeevan Innani
Company Secretary & Compliance Officer
(M. No. A 38372)

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to Item No. 7 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 5 to Item No. 7 of the Notice, are also annexed.
2. **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself, and the proxy need not be a member of the company.** A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company or upload it on the e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting (on or before September 10, 2017, 3:00 p.m. IST). A proxy form for the AGM is enclosed.
5. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ('the Act'), and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM
7. The Register of Members and Share Transfer Books of the Company will remain closed from 05.09.2017 to 12.09.2017 (both days inclusive).
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
10. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members, whose names appear in the Register of Owners as Members / list of Beneficial on **5th September, 2017** are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
11. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. **The e-voting period will commence at 9.00 a.m. on,**



9th September, 2017 and will end at 5.00 p.m. on, 11 September, 2017. The Company has appointed Mrs. Vidya Harkut, Practising Company Secretary, partner of VSS & Associates (FCS 7086) to act as the Scrutinizer, for conducting the scrutiny of the votes cast.

12. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
13. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again
14. Log in ID and Password is printed on the Address Sticker.
15. Members holding shares in physical form are requested to intimate any change of address to M/s. CIL Securities Limited / Investor Service Department of the Company immediately.
16. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
17. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
18. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
19. To support the 'Green Initiative', Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
20. 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
21. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
22. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment
23. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility
24. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against,



if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

25. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.godavaridrugs.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; "GDL.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put User ID and password noted in step (1) above and Click Login.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- (v) After successful login, you can change the password with new password of your choice.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "**Godavari Drugs Limited**".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vss.associate@gmail.com with a copy marked to evoting@nsdl.co.in
(Please follow all steps from Sl.No. (ii) to Sl.No. (Xii) above, to cast vote.)

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.



- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 5th September, 2017.
- IV. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 5th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@cilsecurities.com
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "*Forgot User Details/Password?*" or "*Physical User Reset Password?*" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- V. 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
26. The route map showing directions to reach the venue of the Twenty-Ninth AGM is annexed herewith the Report.
27. **Information required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.**

'PROFILE OF DIRECTORS BEING APPOINTED'

| | |
|---|---|
| Name of Director | Mukund Kakani |
| Director Identification Number | 00104646 |
| Date of Last Appointment | 28 th September, 2012 |
| Brief resume of the Director including the nature of the expertise in specific functional areas | Mr.Mukund Kakani (DIN 00104646) is an Executive Director of the Company. Mr.Mukund Kakani (DIN 00104646) aged 65 years, is a B.Tech in Chemical Engineering with more than 35 years of experience in business.Prior to joining GDL Mr. Kakani was in the family business of Cotton Ginning Pressing factory, Oil Mills and Industrial Ductings, looking after Technical aspects and Marketing. He holds wide experience in Technical, Finance, and Marketing segment. |
| No. of shares held in Company | 3,23,100 |
| Directorships held in other listed companies (excluding foreign companies and Section 8 companies Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.) | Nil |
| Disclosure of relationships between directors inter-se; | Cousin to Mr. Ghanshyam Jaju |
| Name of Director | Kirti Kumar Jain |
| Director Identification Number | 00076657 |



| | |
|---|---|
| Date of Last Appointment | 28 th September, 2012 |
| Brief resume of the Director including the nature of the expertise in specific functional areas | Mr.Kirti Kumar Jain (DIN 00076657) is an Executive Director of the Company. Mr. Kirti Kumar Jain, aged 68 years, is a Commerce Graduate with more than 35 years of experience in business.He holds wide experience in Finance, Accounts and Taxation segment. |
| No. of shares held in Company | 1,59,700 |
| Directorships held in other listed companies (excluding foreign companies and Section 8 companies Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.) | Nil |
| Disclosure of relationships between directors inter-se | Nil |

| | |
|---|--|
| Name of Director | Mohit Jaju |
| Director Identification Number | 03405414 |
| Date of Last Appointment | 28 th September, 2012 |
| Brief resume of the Director including the nature of the expertise in specific functional areas | Mr.Mohit Jaju (DIN 00104646) is an Executive Director of the Company. Mr. Mohit Jaju, aged 46 years, is a B.Tech in Production Engineering with over 24 years of experience in API industry.He holds ample experience in Manufacturing, Marketing and Technical liasoning. |
| No. of shares held in Company | 2,23,400 |
| Directorships held in other listed companies (excluding foreign companies and Section 8 companies Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.) | Nil |
| Disclosure of relationships between directors inter-se; | Son of Mr. Ghanshyam Jaju |

By order of the Board of Directors
For **Godavari Drugs Limited**
CIN: L24230TG1987PLC008016

Place: Secunderabad
Date: 30.05.2017

Jeevan Innani
Company Secretary & Compliance Officer
(M. No. A 38372)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on 30th May, 2017 the appointment of M/s. Bharathula & Associates, Cost Accountants, as Cost Auditors to conduct the audit of the cost records of the applicable products of the Company at a remuneration of Rs. 20000/- plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 4 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution. The Board recommends the passing of the resolution as set out at Item No. 4 as an ordinary resolution.

Item No. 5

The Board of Directors at its meeting held on 30th May, 2017 recommended Mr. Mukund Kakani (DIN 00104646) Managing Director of the Company for a period of five years on the basis of recommendation of Nomination & Remuneration Committee and subject to approval of the Shareholders.

Mr. Mukund Kakani (DIN 00104646) has a very long association with the Godavari Drugs Limited, and brings in multi business, multi-geography and multi-cultural exposure in various roles. The profile of Mr. Mukund Kakani (DIN 00104646) is given in the section 'Profile of Directors being appointed annexed to the Notice.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 5 of the Notice for appointment of Mr. Mukund Kakani (DIN 00104646) as a Managing Director, liable to retire by rotation

None of the Directors and Key Managerial Personnel of the Company, except Mr. Mukund Kakani (DIN 00104646) and his relatives, who hold shares in the Company, is concerned or interested in the Resolution mentioned at item No.5 of the Notice.

Item No. 6

Mr.Kirti Kumar Jain (DIN:00076657) is associated with the Godavari Drugs Limited, and has a core experience in the field of Accounts and Taxation and exposure in various roles. A profile of Mr. Kirti Kumar Jain (DIN:00076657) is given in the section 'Profile of Directors being appointed annexed to the Notice

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice for appointment of Mr.Kirti Kumar Jain (DIN:00076657) as an Executive Director, liable to retire by rotation.

None of the Directors and Key Managerial Personnel of the Company, is concerned or interested in the Resolution mentioned at item No.6 of the Notice.