

27th
Annual Report
2014-2015



GODAVARI DRUGS LIMITED

Regd. Office : May Fair
Sardar Patel Road, Secunderabad - 500 003.



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

13th August, 2015

at 3.30p.m.

at FTAPCCI

J. S. Krishnamurthy Hall

Red Hills, Hyderabad

Bankers :

State Bank of Hyderabad
HDFC Bank
Andhra 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 :

A6/2,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 27th Annual General Meeting of the Members of **M/s Godavari Drugs Limited** will be held at J.S. Krishna Murthy Hall, FTAPCCI Premises, 11-6-841, Red Hills, Hyderabad -500004 on 13th day of August, 2015 at 3.30 p.m. to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statement of the Company for the year ended 31st March, 2015 including Audited Balance Sheet as at 31st March, 2015 and the Statement of the Profit & Loss for the year ended on that date and Cash Flow Statement and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mohit Jaju who retires by rotation and being eligible, offers himself for reappointment.
3. Re-Appointment of Auditor 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 - 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule VI of the Act, as amended from time to time, M/s S. Daga & Co., Chartered Accountants, (Firm Registration No. 000669 S), be and is hereby re-appointed (their appointment being ratified) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the (29th) Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their re-appointment at every next Annual General Meeting), at such remuneration as may be mutually agreed upon between the Board of Directors and Statutory Auditors."

SPECIAL BUSINESS:

4. 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 section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under including any statutory modifications(s) or re-enactment thereof, for the time being in force, the draft form of the revised Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the any one of the Directors and the Company Secretary of the Company be and are hereby jointly /severally authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution."

5. 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 resolution passed at the Board Meeting of the Company held on May 30, 2015 and the provisions of Section 180(1)(c) of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board of Directors may deem fit from banks, financial institutions or any other kind of lenders notwithstanding that the money or money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, provided however that the total amount so borrowed and remaining outstanding at any particular time shall not exceed Rs. 50 Crores."



RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

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

Place: Secunderabad
Date: 30.05.2015

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

NOTES:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.** The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.
- 2.** The Register of Members and Share Transfer Books of the Company will remain closed from 06.08.2015 to 13.08.2015 (both days inclusive)
- 3.** Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 7th August, 2015 are entitled to vote on the Resolutions set forth in this Notice.
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, 10th August, 2015 and will end at 5.00 p.m. on, 12 August, 2015.** The Company has appointed Mrs. Vidya Harkut, Practising Company Secretary, partner of VSS & Associates to act as the Scrutinizer, for conducting the scrutiny of the votes cast.
- 4.** 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.
- 5.** 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.
- 6.** 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.
- 7.** A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 8.** 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.



9. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

The Articles of Association ("AoA") of the Company is presently in force since its incorporation of the Company i.e. year 1987. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on May 30, 2015 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same.

In terms of section 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors, Key Managerial Personnel of Company and their relatives are interested in the this resolution.

Item No. 5

As the Company is under process of expansion of it's business operations there will be requirement of funds by way of working capital limits/ CC limits/ and other means from Banks and financial institutions. As per Section 180 (1) (c) of the Companies Act, 2013, any money borrowed by the Company exceeding the aggregate of its paid up share capital and free reserves apart from temporary loans taken in its ordinary course of business shall be approved by the share holders by the Special resolution. The Company proposes to increase its borrowing powers to a limit of Rs. 50 Crores (which is exceeding the aggregate of its paid up share capital and free reserves) by way of this resolution.

In terms of section 180 of the Companies Act, 2013, the consent of the members by way of special resolution is requested.

None of the Directors and any key managerial person and their relatives are interested in this Resolution.

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

Place: Secunderabad
Date: 30.05.2015

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



DIRECTOR'S REPORT

**To,
The Members,**

Your directors have pleasure in presenting their Twenty Seventh Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2015.

Financial Highlights :

During the year under review, performance of your company is as under:

(in Rupees)

PARTICULARS	Year ended 31st March 2015	Year ended 31st March 2014
Revenue from Operations	55,14,73,488	9,55,10,003
EBITDA	6,08,24,413	1,95,98,432
Less: Finance cost	66,76,239	20,85,493
Less: Depreciation	68,09,772	1,04,86,117
Profit before tax & exceptional items	4,73,38,402	70,26,822
Less: Exceptional items	—	—
Profit before tax	4,73,38,402	70,26,822
Less: Tax expenses	1,08,69,924	(84,89,345)
Profit After Tax	3,64,68,478	1,55,16,167
Transferred to general reserve	—	—
Proposed Dividend	—	—
Closing Balance in Statement of Profit and Loss	(5,81,86,269)	(9,36,92,550)

Company Performance

Your Company has posted good financial results during the year under review. Turnover of the Company has increased from 955.10 lakhs to 5514.73 lakhs and the Net profit increased from 155.16 lakhs to 364.68 lakhs.

Dividend

To Conserve the funds for operations of the Company, the Board do not recommend any dividend for this financial year.

Amounts Transferred to Reserves: Nil

Disclosures regarding :

Changes in Share Capital

There was no change in the structure of the share capital of the Company during the financial year under review.

Issue of Equity Shares with Differential Rights

The Company has not made any issue of equity shares with Differential Rights under the provision of Section 43, read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 during the Financial Year under review.

Issue of Employee Stock Options

The Company has not made any issue of equity shares via Employee stock options during the Financial Year under review.

Issue of Sweat Equity Shares

The Company has not made any issue of equity shares under the provision of Section 54, read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014, during the Financial Year under review.



Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as **Annexure I**.

Details of Board Meetings held

During the Financial Year 2014-15, five meetings of the Board of Directors of the company were held, as against the minimum requirement of four meetings.

Date	Board Strength	No. of Directors Present
28th May, 2014	06	06
14th August, 2014	06	06
12th November, 2014	06	06
11th February, 2015	06	06
27th March, 2015	06	06

Particulars of Loan, Guarantees and Investments under Section 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Financial Statements.

Particulars of Contracts or Arrangements with Related Parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 shall be disclosed in Form No. AOC-2. As **Annexure II**.

Explanation to Auditor's Remarks

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

Material Changes Affecting the Financial Position of the Company

There are no material changes / events, occurring after balance sheet date till the date of the report to be stated.

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **"Annexure III"**

Details of Subsidiary, Joint Venture or Associates

Associated Companies:

Godavari Capital Private Limited, Godavari Homes Private Limited and A.K. Paper Products Private Limited.

Vigil Mechanism

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated Vigil mechanism which is in compliance

with the provisions of section 177(9) & (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, in its meeting held on 28th May, 2014. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.godavaridrugs.com

Nomination & Remuneration Committee Policy

The Board of Directors of your Company in the meeting held on 28th May, 2014, constituted the Nomination and Remuneration Committee with the requisite terms of reference as required under Section 178 of the Companies and other applicable provisions thereof in place of existing Remuneration Committee. The said Committee framed, adopted and recommended the "Nomination, Remuneration & Evaluation Policy".



The Details of the Committee have been provided under Corporate Governance Report, which forms part of this Annual Report.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

In order to promote safe and indiscriminative environment, the Company has formed an Internal Complaints Committee where employees can register their complaints against sexual harassment.

During the year under review Company has not received any complaint of harassment.

Details of Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri Mohit Jaju, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

During the year under review, the members approved the appointments of Shri Syed Hussain, Shri Dilip Patel, Shri Ramesh Babu Telugu and Smt. Vimala Madon as an Independent Director who are not liable to retire by rotation. Pursuant to Section 203 of the Companies Act 2013, Company has appointed Mr. Jeevan Innani, Company Secretary.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has drafted a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

On the basis of the Policy framed for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation activity was followed by the Board for its own performance and that of its Committees and individual Directors. The Company has conducted programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company works and other allied matters.

Details of significant & material orders passed by the regulators or courts or tribunal

- Matter of Imports relating advance licensing scheme is under adjudication with the Customs Department, Mumbai amounting Rs. 696062/-
- Matter of Central Excise & Customs, amounting Rs. 1629999 is under adjudication with Commissioner (Appeals) Customs, Central Excise & Service Tax, Nagpur.

Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements

The Company has in place adequate internal financial controls with reference to financial statements.

During the year, such controls were tested and no reportable material weakness in the operation was observed.

Deposit from Public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet. However opening balance of unsecured loans from related party is lying with the Company, which is subordinated to bank borrowings against cash credit limit availed from Andhra Bank.

Receipt of any commission by MD / WTD from a Company or for receipt of commission / remuneration from it Holding or subsidiary.

As there is no holding company or subsidiary of the Company, this part isn't applicable.

Declaration of Independence

The Company has received declarations from all the Independent Directors confirming that they meet the



criteria of independence as prescribed in Sub-Section (6) of Section 149 of Companies Act, 2013, read with the Schedules and Rules issued thereunder as well as Clause 49 of the Listing Agreement.

Code of Conduct for Directors and Senior Management

The Board has laid down a code of conduct for all Board members and senior Management of the Company. The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company.

Risk Management

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, M/s. VSS & Associates, Practicing Company Secretary have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure IV** to this report. The report is self-explanatory and do not call for any further comments.

Corporate Social Responsibility (CSR) Policy

The Company doesn't fall under the ambit of Section 135 (1), hence, Corporate Social Responsibility policy is not applicable to the Company.

Audit Committee

During the year under review, 4 meetings of the Committee were held on, May 28, 2014, August, 14, 2014, November, 12, 2014, February, 11, 2015

The composition of the Committee as on 31st March, 2015 as well as the particulars of attendance at the Committee during the year are given in the table below:

Name	Category of Directorship	No. of Meetings Attended	% of Total meetings attended during the tenure as a Director
Shri Dilip Patel	Independent Director / Chairman	4	100
Shri Syed Hussain	Independent Director	4	100
Shri K K Jain	Executive Director	4	100

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (appointment and Remuneration of managerial personnel) rules, 2014.

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:



Sr. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (in Lakhs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
1	Ghanshyam Jaju, Chairman	Nil	Nil	Not Applicable
2	Mukund Kakani, Managing Director	2.88	Nil	1.6: 1
3	Kirti Kumar Jain, Executive Director	1.80	Nil	1:1
4	Mohit Jaju, Executive Director	1.80	Nil	1:1
5	Syed Hussain, Independent Director	0.50	25	0.27:1
6	Dilip Patel, Independent Director	0.50	25	0.27:1
7	Ramesh Babu Telugu, Independent Director	Nil*	Nil*	Not Applicable
8	Vimala Madon, Independent Director	Nil*	Nil *	Not Applicable
7	Jeevan Innani, Company Secretary & Compliance Officer	0.60**	**	Not Applicable

* Remuneration not paid as Mr. Ramesh Babu Telugu, Mrs. Vimala Madon joined the Board w.e.f. 27th March, 2015.

** Mr. Jeevan Innani has joined Since February, 2015.

* Sitting fees is also considered for calculation of remuneration for the above purpose

Percentage increase in the median remuneration of employees in the financial year:

The median remuneration is Rs. 15000 and the percentage increase in the median remuneration of employees in the financial year is 28%.

Number of permanent employees on the rolls of company:

Number of employees on the rolls of the Company as on 31st March, 2015 was 101 Nos.

Explanation on the relationship between average increase in remuneration and Company Performance:

The increase in average remuneration of all employees in the financial year 2014-15 as compared to the financial year 2013-14 was 31%. The average increase in median remuneration was in line with the performance of the Company.

Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:

Particulars	Amount in Rupees
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	7,08,000
Revenue from operations	548,462,587
Remuneration (as % of revenue)	0.12
Profit before tax (PBT)	47,338,402
Remuneration (as % of PBT)	1.49

The Key Parameters for any variable component of remuneration availed by the Directors:

There is no variable component of remuneration to the Directors.



Variations in market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	Unit	As at 31st March, 15	As at 31st March, 14	Variation
Closing rate of share at BSE	Rs.	53.40	10.38	414%
EPS	Rs.	4.84	2.06	134%
Market Capitalization	Rs./lac	40,21,28,700	7,81,66,590	414%
Price Earnings ratio	Ratio	11	5	120%

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2014-15 was 31%. Percentage increase in the managerial remuneration for the year was 36%.

The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Highest Paid Director: Mr. Mukund Kakani: Rs. 24000/- p.m.

Name of Employee	Salary (Per Month)	Ratio
E V S S Prakasam	60000	2.50
J.V.Jogaikar	40000	1.67
S.A.Tejanekar	36000	1.49
A.D.Hake	36000	1.49
G.R.Deshpande	33500	1.38
Y. Sadashiva Rao	30000	1.25
D.A.Patil	29000	1.20
U.N.Torane	26000	1.07

Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the companies (appointment and Remuneration of managerial personnel) rules, 2014.

- Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than Rs. 60,00,000/- NIL
- Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than Rs. 5,00,000/- per month:- NIL
- Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole-time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company:- NIL



Fraud Reporting

No cases of fraud have been reported to the Audit Committee / Board during the financial year under review.

Statutory Auditors

Pursuant to the provisions of Section - 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule VI of the Act, as amended from time to time, M/ s S. Daga & Co., Chartered Accountants, (Firm Registration No. 000669 S), be and is hereby re-appointed (their appointment being ratified) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the (29th) Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their re-appointment at every next Annual General Meeting), at such remuneration as may be mutually agreed upon between the Board of Directors and Statutory Auditors.

They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

Management Discussion and Analysis Report

The above report is annexed herewith as **Annexure V**

Directors Responsibility Statement

In accordance with the provisions of Section 134(3) (c) of the Companies Act 2013, your directors confirm that:

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit /loss of the Company for that period.
- c) The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts have been prepared on going concern basis.
- e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- f) The Company has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.

Acknowledgment

The Directors express their sincere appreciation to the employees, valued shareholders, customers, bankers suppliers and government authorities for their continued support.

For and on behalf of the Board of Directors
For **Godavari Drugs Limited**

Place : Secunderabad
Date : 30.05.2015

Ghanshyam Jaju
(Chairman)
DIN: 00104601

Mukund Kakani
(Managing Director)
DIN: 00104646

**ANNEXURE I**

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on 31st March, 2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24230TG1987PLC008016
2.	Registration Date	2 December, 1987
3.	Name of the Company	GODAVARI DRUGS LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares / Pharmaceutical Company
5.	Address of the Registered office & contact details	1-8-303/34, S.P. Road, Secunderabad. Tel: 040 - 27849700, 27844557, Fax: 040 - 27849859
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CIL Securities Limited 214, Raghavaratna Towers, Chiragali lane, Abids, Hyderabad - 500001. Tel : 040 -23203155, Fax: 040 -23203028 Email: rta@cilsecurities.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ciprofloxacin HCL	21001	93.08%

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i: Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01.04.2014]				No. of Shares held at the end of the year[As on 31.03.2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3553712	-	3553712	47.19	3721204	-	3721204	49.42	2.23
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-



e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total share-holding of Promoter(A)	3553712	-	3553712	47.19	3721204	-	-	49.42	2.23
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	61225	37500	98725	1.31	25227	37500	62727	0.83	(0.48)
c) Central Govt	-	-	-	-	-	-	-	—	-
d) State Govt(s)	-	—	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	—	-	-	-	-	-	-
g) FIIs	—	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	61225	37500	98725	1.31	25227	37500	62727	0.83	(0.48)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	585316	70500	655816	8.71	412789	70500	483289	6.42	(2.29)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	645707	326261	971968	12.91	1014707	290753	1305460	17.34	4.43
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1508260	493700	2001960	26.58	1115871	480000	1595871	21.19	(5.39)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	17295	227700	244995	3.25	122756	227700	350456	4.65	(1.4)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	3324	-	3324	0.04	11493	-	11493	0.15	0.11



Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	2759902	1118161	3878063	51.49	2677616	1068953	3746569	49.75	1.74
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2821127	1155661	3976788	52.81	2702843	1106453	3809296	50.58	2.23
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6374839	1155661	7530500	100	6424047	1106453	7530500	100.0	-

B) Shareholding of Promoters -

Sl.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2014)			Shareholding at the end of the year (As on 31.03.2015)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledge / encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledge / encumbered to total Shares	
1	Kamala Jaju	902676	11.99	0.00	902676	11.99	0.00	-
2	Sushma Kakani	952700	12.65	0.00	952700	12.65	0.00	-
3	Ghanshyam Jaju	343800	4.57	0.00	343800	4.57	0.00	-
4	Mukund Kakani	323100	4.29	0.00	323100	4.29	0.00	-
5	Mohit Jaju	223400	2.97	0.00	223400	2.97	0.00	-
6	Kirti Kumar Jain	121357	1.62	0.00	159700	2.12	0.00	0.50
7	Mangala Shrimal	197000	2.62	0.00	197000	2.62	0.00	-
8	Prakash Chandra Shrimal	80000	1.06	0.00	80000	1.06	0.00	-
9	Jayashree Jain	27000	0.36	0.00	27000	0.36	0.00	-
10	Neeraj Jain	17900	0.23	0.00	37900	0.50	0.00	0.27
11	Manish Jain	16000	0.21	0.00	33000	0.44	0.00	0.23
12	Mohit Jain	16000	0.21	0.00	36000	0.48	0.00	0.27
13	Priyanka Jaju	125779	1.67	0.00	125779	1.67	0.00	-
14	Naina Jain	1000	0.01	0.00	22149	0.29	0.00	0.29
15	Tanushree Kakani	Nil	Nil	0.00	50000	0.66	0.00	0.66
16	Akshiet Kakani	207000	2.75	0.00	207000	2.75	0.00	-


C) Change in Promoters' Shareholding

Sr No	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in share holding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
01	Kirti Kumar Jain	121357	1.62	01.04.2014			159700	2.12
		159700	2.12	19.12.2014	13000	Purchase		
				26.12.2014	17000	Purchase		
				08.01.2015	8343	Purchase		
02	Neeraj Jain	17900	0.23	01.04.2014			37900	0.50
		37900	0.50	15.12.2014	5000	Purchase		
				19.12.2014	15000	Purchase		
				31.03.2015				
03	Manish Jain	16000	0.21	01.04.2014			33000	0.44
		33000	0.44	19.12.2014	17000	Purchase		
				31.03.2015				
04	Tanushree Kakani	0	0.00	01.04.2014			50000	0.66
		50000	0.66	20.08.2014	46700	Purchase		
				26.08.2014	3300	Purchase		
				31.03.2015				
05	Naina Jain	1000	0.00	01.04.2014			22149	0.29
		22149	0.29	06.12.2014	1149	Purchase		
				19.12.2014	20000	Purchase		
				31.03.2015				
06	Mohit Jain	16000	0.21	01.04.2014			36000	0.48
		36000	0.48	15.12.2014	5000	Purchase		
				19.12.2014	15000	Purchase		
				31.03.2015				

* Date of purchase / transfer has been considered as the date on which the intimation has been received by the Company.



**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2014		Shareholding at the end of the year as on 31.3.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Highcrestt Global Company Ltd.	200000	2.66	200000	2.66
2	Autofin Limited	139800	1.86	139800	1.86
3	Ashwini Karanjaokar	100000	1.33	100000	1.33
4	Vrunda Karanjaokar	100000	1.33	100000	1.33
5	Varun Jain	100000	1.33	100000	1.33
6	Swet Realtors Pvt. Ltd.	100000	1.33	100000	1.33
7	Pawan Kothari	100000	1.33	100000	1.33
8	Anuradha Karanjaokar	100000	1.33	100000	1.33
9	Karanjaokar	80000	1.06	80000	1.06
10	Sanjay Jaju	75175	0.99	75175	0.99

E) Shareholding of Directors and Key Managerial Personnel:

Sr No	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in share holding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
01	Kirti Kumar Jain (Director & CFO)	121357	1.62	01.04.2014				
		159700	2.12	19.12.2014 26.12.2014 08.01.2015 31.03.2015	13000 17000 8343	Purchase Purchase Purchase	159700	2.12
02	Ghanshyam Jaju (Director & Chairman)	343800	4.57	01.04.2014	0		343800	4.57
		343800	4.57	31.03.2015		Nil movement during the Year		
03	Mukund Kakani (MD & KMP)	323100	4.29	01.04.2014	0		323100	4.29
		323100	4.29	31.03.2015		Nil movement during the year		



04	Mohit Jaju (Director)	223400 223400	2.97 2.97	01.04.2014 31.03.2015	0 0	Nil movement during the year	223400 223400	2.97 2.97
05	Dilip Patel (Director)	0 0	0 0	01.04.2014 31.03.2015	0 0	Nil movement during the year	0 0	0 0
06	Syed Hussain (Director)	0 0	0 0	01.04.2014 31.03.2015	0 0	Nil movement during the year	0 0	0 0
07	Ramesh Babu Telugu (Director)	700 2500	0.009 0.033	01.04.2014 12.12.2014 01.01.2015 31.03.2015	300 1500	Purchase Purchase	2500	0.033
08	Vimala Madon (Director)	0 0	0 0	01.04.2014 31.03.2015	0 0	Nil movement during the year	0 0	0 0
09	Jeevan Innani (KMP)	0 0	0 0	01.04.2014 31.03.2015	0 0	Nil movement during the year	0 0	0 0

F) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	24167502	-	24167502
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	24167502	-	24167502
Change in Indebtedness during the financial year				
* Addition	48394494	12260500	-	60654994
* Reduction	-	-	-	-
Net Change	48394494	12260500	-	60654994
Indebtedness at the end of the financial year				
i) Principal Amount	48394494	36428002	-	84822496
ii) Interest due but not paid	-	997994	-	997994
iii) Interest accrued but not due	-	1312129	-	1312129
Total (i+ii+iii)	48394494	38738125	-	87132619


G) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / Manager / WTD		
		Mukund Kakani	K. K.Jain	Mohit Jaju
1	Gross salary (excluding Commission)			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	288000	180000	180000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
	• Stock Option	-	-	-
	• Sweat Equity	-	-	-
	• Commission	-	-	-
	- as % of profit	-	-	-
	• Others, Allowances	-	-	-
	Total	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors

Name of Director	Sitting Fees (In Lacs.)	Commission (In lacs)	Total (In Lacs)
Shri Syed Hussain	0.50	Nil	0.50
Shri Dilip Patel	0.50	Nil	0.50
Shri Ghanshyam Jaju	Nil	Nil	Nil
Shri Ramesh Telugu*	Nil	Nil	Nil
Smt. Vimala Madon*	Nil	Nil	Nil

* Remuneration not paid as Mr. Ramesh Babu Telugu, Mrs. Vimala Madon joined the Board from 27th March, 2015.



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. in Lakhs)

Sl.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	1.8	0.60*	2.4
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit others, specify.	-	-	-
5	Others, please specify	-	-	-
	Total			2.4

* Mr. Jeevan Innani has joined since February, 2015.

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

ANNEXURE - II

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	



2. Details of contracts or arrangements or transactions at Arm's length basis.

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (In Rupees)
Rent Paid:				
Sushma Kakani	Relative of KMP	-	NA	1,80,000
Mohit Jaju	Director	-		3,00,000
Interest Paid:				
Kamala Jaju	Relative of Director	-	NA	10,94,083
Ghanshyam Jaju HUF	HUF	-	NA	2,85,514
Ghanshyam Jaju	Director	-	NA	12,33,719
Mukund Kakani	Managing Director	-	NA	11,89,294
Kirti Kumar Jain	Director	-	NA	3,34,836
Mohit Jaju	Director	-	NA	8,18,595

Purchase of Stores:

A.K.Paper Products Pvt. Ltd.	Associated Company	Ongoing	Based on Transfer Pricing Guidelines	4,07,711
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Sundry Creditors:

Sushma Kakani	Relatives of KMP	NA	NA	1,01,124
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Loans:

Mohit Jaju	Director	repayable after 31.03.2016	carries interest rate of 15% p.a.	78,63,165
Mukund Kakani	Managing Director	repayable after 31.03.2016	carries interest rate of 15% p.a.	92,99,023
Kirti Kumar Jain	Director	repayable after 31.03.2016	carries interest rate of 15% p.a.	24,87,498
Ghanshyam Jaju	Director	repayable after 31.03.2016	carries interest rate of 15% p.a.	91,06,065
Ghanshyam Jaju (HUF)	HUF	repayable after 31.03.2016	carries interest rate of 15% p.a.	20,31,553
Kamala Jaju	Relative of Director	repayable after 31.03.2016	carries interest rate of 15% p.a.	79,50,821



ANNEXURE - III

a) Conservation of Energy:

It is an ongoing process in the Company's activities to conserve the energy. The details are set out below:

Steps taken for conservation: Energy conservation is the integral and root of any organization. The Company has kept in consideration the deteriorating environment, global warming issue and imbalanced ecology, thus it has strived to optimize the usage of the energy and natural resources. The company has been continuously saving considerable fuel cost for its boiler by using rice husk. The has achieved optimization in Electrical power by maintaining power factor above 0.90.

Capital investment on energy conservation equipments: Nil

b) Technology Absorption:

Efforts made for technology absorption: GDL focuses on new ideas and innovations to cater the development to support existing business and create breakthrough technologies for expansion of business. We focus on advanced troubleshooting and supporting to capital projects, which enhances reliance at manufacturing department. New equipment were installed at different levels and machines were upgraded.

Benefits derived: Company enjoys increased efficiency in its day to day operations, which ultimately contributes for obtaining of the set goals. Improved quality & consistency products, better controlled production process, reduction in time waste and raw material absorption improved.

Expenditure on Research & Development, if any:

- | | | |
|----|--|-------------|
| a. | Capital Rs. | Nil |
| b. | Recurring Rs. | 22,67,018/- |
| c. | Total | 22,67,018/- |
| d. | Total R & D expenditure as a % of total turnovers: 0.41% | |

Details of technology imported, if any NA

Year of import NA

Whether imported technology fully absorbed NA

Areas where absorption of imported technology has not taken place, if any NA

Form for Disclosure of particulars with respect to Conservation Energy

Particulars	Unit	2014-15	2013-14
A. Power & Fuel Consumption			
1. Electricity			
a) Purchased			
Units	000KWH	1929	1586
Total Amount	Rs. In Lacs	138.79	114.48
Average cost	Rs. / KWH	7.19	7.22
2. Coal			
Quantity	Tons	Nil	Nil
Total Cost / Average Cost	Rs. In Lacs	Nil	Nil
3. Furnace Oil			
Quantity	K.L.	Nil	Nil
Total Cost / Average Cost	Rs. In Lacs	Nil	Nil
Agro / Ind. Waste			
Quantity	Tons	4641	3782
Total Cost	Rs. In Lacs	150.57	119.42
Average Cost	Rs./ Ton	3244	3157
4. Others /Internal Generation	Nil	Nil	Nil

Foreign Exchange Earnings/ Outgo:

Earnings	The foreign exchange earnings on account of sale of goods were Nil.
Outgo	The foreign exchange outgo on account of purchase of raw material is USD 43.82 Lakhs (Rs.2783.85 lakhs)

**ANNEXURE IV****Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st March, 2015.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Godavari Drugs Limited
Secunderabad - 500003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Godavari Drugs Limited** (hereinafter called **the company**). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Godavari Drugs Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified during the Audit Period and hence not applicable).



(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company and have obtained proper licences and their timely renewals:

- (i) The Factories Act, 1948
- (ii) Food and Drugs Administration
- (iii) The Environment (Protection) Act, 1986
- (iv) Air (Prevention and Control of Pollution) Act, 1981 , Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the Maharashtra Pollution Control Board

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committee of the Board as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Hyderabad
Date: 30.05.2015

For VSS & Associates
Company Secretaries
Sd/-
Vidya Harkut
FCS No. : F 7086;
C P No.:7534



'ANNEXURE A'

To,
The Members,
Godavari Drugs Limited
Secunderabad - 500 003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 30.05.2015

For VSS & Associates
Company Secretaries
Sd/-
Vidya Harkut
FCS No. : F 7086;
C P No.:7534



ANNEXURE - V

Management Discussion and Analysis Report

❖ Forward-Looking Statements

All statements that address expectations or projections about future, but not limited to the company's strategy for growth, product development, market position, expenditures and financial results may be forward – looking statements within the meaning of applicable rules and regulations. Since these are based on certain assumptions and expectations of future events, the company cannot guarantee that these are accurate or will be realised. The company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

❖ Industry Structure and Developments

The Pharma industry in India is the third largest in terms of volume and fourteenth in terms of value globally. The industry is growing at a good pace in the developing countries like India, China, South Korea, Indonesia and Malaysia.

The environment in which pharmaceutical companies operate is being driven by a more and more demanding healthcare agenda. The global need for innovative, cost effective medicines continues to rise while regulators, payers, health care providers and patients are demanding greater value for money, proven effectiveness of products, more transparency and access to information.

❖ Opportunities and threats

The pharmaceutical industry has wide range of opportunities. It could include recently published research, an increase in health-conscious consumers, increased demand for pharmaceutical products, changes in Food and Drug Administration standards or decreases in employee health care costs. Thus, the Company has enormous opportunities yet to be captured.

The Industry may face the upcoming challenges in the form of stiff competition which may reduce competitive edge. The external factors which includes increased government regulation, a declining economy, increasing research and development (R&D) costs or a decrease in the global population.

The financial highlights are as under: -

(Rs. in Rupees)

Sales for the year 2014-2015	548,462,587
Provision for tax	1,08,69,924
Profit after tax	36,468,478
Paid up equity share capital as on 31st Mar'2015	75,305,000
Finance costs	6,676,239
Depreciation / Amortisation	6,809,772
Employee Benefit Expenses	20,084,148

❖ Outlook

Your company has completed first phase of upgradation work in the plant. A combination of our chemistry knowledge with our extremely sound engineering strengths along with strong analytical backup enables to develop, scale up and manufacture products right from Laboratory to Pilot plant and commercial scale which are in line with cGMP requirements. Your company proposes to undertake and expand the contract manufacturing activities and also take up new products along with enhancing the quantities of present product for own manufacturing. The company envisages a high growth during the corresponding period in terms of volumes, sales and profitability.

❖ Risks and concerns

The pharmaceutical industry is undergoing a period of intense transformation. Increased scrutiny of operational and research practices together with difficult questions over the safety of marketed drugs



have created uncertainty in what has traditionally been considered a stable and highly profitable business.

Key issues affecting companies in the pharmaceutical sector include:

Ensuring supply chain effectiveness:

The Pharma industry is under severe pressure. R&D costs are spiralling, development timelines are growing, payer push back is increasing and consumers are becoming more knowledgeable about care options.

Governance risk and compliance:

Pharma companies are facing unprecedented compliance challenges, as close regular scrutiny is unlikely to abate any time soon. Companies cannot afford to ignore corporate reputational and personal risks attaching to their business activities.

Managing the effective tax rate:

One area of focus for Pharma companies is the overall effective tax rate. Increasingly, taxing authorities are focusing on companies with extensive worldwide operations. Licensing deals and acquisitions may create other unintended tax costs that adversely impact the effective tax rate. Carefully structuring such deals is essential to ensure alignment of a company's business goals with optimal tax treatment.

❖ **Internal control systems and their adequacy**

The Company conducts its business with integrity and high standards of ethical behavior and in compliance with the laws and regulations that governs its business. It has a well established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines. Considering the growing capital expenditure program, the company continuously reviews the documented approval policy besides the budgets being approved by the Board of Directors. These controls are constantly reviewed and revised with the changing business dynamics. The management duly considers and takes appropriate action on recommendations made by the statutory auditors and the Audit committee of the Board of Directors.

❖ **Human Resources**

At GDL we believe that "*company grows when its people grow*". During the year, we continued our focus on building a performing and growing organization by introducing many new HR policies and processes. With the Employee Engagement object, numerous motivational activities were planned for the employees throughout the year.

Employees are the key to achievement of the Company's objectives and growth strategies. The Company provides employees with a fair and equitable work environment and support to develop their capabilities. With the added emphasis placed on 'safe operation', the training given to employees not only covers knowledge and technical skills but also lays stress on behavioral areas, like creating a 'safety mindset', and 'attitude building'. A number of HR initiatives have been taken for the well being and continuous development of the employees.



CORPORATE GOVERNANCE REPORT
(Pursuant to Clause 49 of the Listing Agreement)

Company Philosophy:

The Company has complied with the principles and practices of sound Corporate Governance. The Company's philosophy is to attain transparency and accountability in its relationship with employees, shareholders, creditors, consumers, dealers and lenders, ensuring a high degree of regulatory compliance. Your Company firmly believes that a sound governance process represents the foundation of corporate excellence.

Board of Directors:

The Company's highly professional and responsive Board of Directors is composed of eminent thought-leaders and seasoned stalwarts drawn from diverse fields ensures extensive deliberation and expertise which have bearing on the process of decision- making.

Category	No. of directors
Non-Executive & Independent Directors including the Chairman	5
Other Non-Executive Directors	Nil
Executive Director(CEO & Managing Director)	3
Total	8

As required under Section 149(3) of the Companies Act, 2013, & Clause 49 of Listing Agreement, **Mrs. Vimala B. Madon** having DIN 06925101, a Woman Director, has been appointed as an Independent Director on the Board.

Independent Director and Limit of Number of Directorships

The Company has complied with terms and conditions of appointment and re - appointment of Independent Directors of the Company.

Maximum Tenure of Independent Directors

The maximum tenure of Independent Directors of the Company, namely Mr. Syed Anis Hussain (DIN 00115949), Mr. Dilip Keshavlal Patel, (DIN 00013150), Mr. Ramesh Babu Telugu, (DIN 03613926), and Mrs. Vimala B. Madon , (DIN 06925101) shall be in accordance with the Companies Act, 2013 and clarifications / circulars issued by the Ministry of Corporate Affairs. They were appointed as an Independent and Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years.

Other Relevant details of Directors:

Name of Director	Designation	No. of Directorship(s) held in Indian public & private Limited Companies (Including GDL)	Committee(s) position (including GDL)	
			Member	Chairman
Mr. Ghanshyam Jaju	Chairman	3	2	1
Mr. Mukund Kakani	Managing Director	2	Nil	Nil
Mr. Kirti Kumar Jain	CFO	2	1	Nil
Mr. Mohit Jaju	Executive Director	2	Nil	Nil
Mr. Dilip Patel	Independent Director	9	5	4
Mr. Syed Hussain	Independent Director	4	3	1
Mr. Ramesh Babu Telugu	Independent Director	2	Nil	Nil
Mrs. Vimala Madon	Independent Director	2	Nil	Nil



Details of Board Meetings held during the year

Date	Board Strength	No. of Directors Present	% (Percentage) of Directors Presence
28 th May, 2014	06	06	100
14 th August, 2014	06	06	100
12 th November, 2014	06	06	100
11 th February, 2015	06	06	100
27 th March, 2015	06	06	100

Code of Conduct

The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - www.godavaridrugs.com.

COMMITTEES OF THE BOARD

(a) Audit Committee

In compliance with Section 177 of the Companies Act, 2013 read with the Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement and other applicable provisions, the Audit Committee has been constituted by the Board.

The Audit Committee continued working under Chairmanship of Mr. Dilip Patel with Mr. Syed Hussain and Mr. Kirti Kumar Jain as co-members. During the year, the sub-committee met on four occasions with full attendance of all the members.

The composition of the Audit Committee as at March 31, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Designation/ Category	Attendance at the Board Meetings held on			
		28/05/2014	14/08/2014	12/11/2014	11/02/2015
Mr. Dilip Patel	Chairman Independent Director	Y	Y	Y	Y
Mr. Syed Hussain	Member Independent Director	Y	Y	Y	Y
Mr. Kirti Kumar Jain	Member Executive Director	Y	Y	Y	Y

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.



- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Internal Auditor to get their inputs on significant matters relating to their areas of audit.

(b) Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Compensation Committee" as the "Nomination and Remuneration Committee".

The terms of reference of the Committee inter alia, include the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board

The composition of the Nomination and Remuneration Committee Committee as at March 31, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Composition of the Committee

Name of the Director	Category	Position
Mr. Dilip Patel(DIN:00013150)	Independent Director	Chairman
Mr. Syed Hussain(DIN:00115949)	Independent Director	Member
Mr. Ghanshyam Jaju(DIN:00104601)	Non Executive Director	Member

Formal Letter of Appointment to Independent Directors

The company has issued a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013, containing the terms of appointment.

Familiarization of Directors

The Company had organized the familiarization programme for its Board of Directors including independent directors to familiarize with the Company, their roles, rights, responsibilities in the Company, nature of industry, business model etc. The same has been kept on the website of the Company www.godavaridrugs.com

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at such time as may be decided by it from time to time.

Criteria and Factors for Appointment of Independent Directors

The Committee shall consider the integrity, experience, qualifications, industrial experience and review the



independence of the individual in accordance with Clause 49 of the Listing Agreement and Companies Act, 2013 and rules & regulations made thereto, as amended from time to time.

Removal

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

Performance Evaluation Process

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors. Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).

Some of the key criteria for performance evaluation are as follows –

Performance evaluation of Directors:

- Attendance at Board or Committee Meetings.
- Contribution at Board or Committee Meetings.
- Guidance /Support to the Management outside Board / Committee Meetings.
- Contribution in board deliberations especially on strategy, performance, risk management & standards of conduct.

Performance evaluation of Board and Committees:

- Degree of fulfilment of key responsibilities.
- Board Structure and Composition.
- Establishment Committee responsibilities.
- Effectiveness of Board processes, information and functioning.
- Board Culture and Dynamics.
- Quality of Relationship between Board and Management.
- Recommendations made are proper and adequate.
- Efficacy of Communication with External stakeholders

Remuneration to Executive Directors

The details of remuneration paid to the Directors during the financial year 2014-15 are given below:

Name of the Director	Salary (In Lacs.)
Shri. Mukund Kakani	2.88
Shri. Kirti Kumar Jain	1.80
Shri. Mohit Jaju	1.80

Remuneration to Non - Executive Directors

The details of remuneration paid to the Non - Executive Directors during the financial year 2014-15 are given below:



Name of Director	Sitting Fees (In Lacs.)	Commission (In lacs)	Total (In Lacs)
Shri Syed Hussain	0.50	Nil	0.50
Shri Dilip Patel	0.50	Nil	0.50
Shri Ghanshyam Jaju	Nil	Nil	Nil
Shri Ramesh Telugu	Nil*	Nil	Nil
Smt. Vimala Madon	Nil*	Nil	Nil

* Remuneration not paid as Mr. Ramesh Babu Telugu, Mrs. Vimala Madon joined the Board from 27th March, 2015.

(c) Corporate Social Responsibility (CSR) Committee:

The Company doesn't fall under the ambit of Section 135 (1) and hence the Corporate Social Responsibility (CSR) Committee hasn't been formed.

(d) Stakeholders' Relationship Committee:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

Composition of the Committee

Name of the Director	Category	Position
Mr. Syed Hussain(DIN:00115949)	Independent Director	Chairman
Mr. Dilip Patel(DIN:00013150)	Independent Director	Member
Mr. Ghanshyam Jaju(DIN: 00104601)	Non Executive Director	Member

Meetings and attendance of the Committee during the year

During the year, the committee met two times on 28 May 2014 and 12 November 2014. The committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service. Given below and all of them have been resolved to date. There were no share transfers pending for registration for more than 30 days.

The status of shareholder's complaints/request during the financial year 2014 -15 is as under:

Sl. No.	Nature of Complaint/request	Received	Cleared
1.	Change / Correction of Address	05	05
2.	No. of transfers	21	21
3.	Non receipt of shares /Others	Nil	Nil

Pursuant to clause 47(C) of the Listing Agreement, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

The terms of reference of the Committee:

To look into various investors related issues including redressal of complaints of shareholders/investors relating to –

- Transfer of shares
- Non-receipt of balance sheet
- Non-receipt of dividend etc.



- Issue of duplicate share certificate
- Other queries.

Independent Directors Meeting

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Shri Syed Hussain and Shri Dilip Patel met on 11th February, 2015 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

Postal Ballot

Your Company has passed five resolutions through Postal Ballot during the year 01st April, 2014 and 31st March, 2015. The Company has complied with all the provisions of Section 110 and the applicable rules of the Companies Act, 2013.

General Body Meetings

The details of last three Annual General / Extra Ordinary General Meetings are as follows:

Year	Location	Date	Time
2013-2014	J. S. Krishnamurthy Hall, FAPCCI Premises, Red Hills, Hyderabad	14th August 2014	2.30 P.M.
2012-2013	J. S. Krishnamurthy Hall, FAPCCI Premises, Red Hills, Hyderabad	12th August 2013	2.30 P.M.
2011-2012	J. S. Krishnamurthy Hall, FAPCCI Premises, Red Hills, Hyderabad	28th September 2012	2.30 P.M.

Disclosures

The Company complied with all the regulations of the Stock Exchange, Securities and Exchange Board of India and other statutory bodies regulating the capital markets. No Stretchers or penalties were imposed on the company. There are no transactions with related parties having potential conflict with the interest of the company at large. Other transactions are adequately disclosed in the notes to Annual accounts and Form AOC 2, annexed as Annexure II.

Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

Following is the status of the compliance with the non-mandatory requirements:

The Non – Executive Chairman of the Company has been provided a Chairman's Office at the Registered Office of the Company. The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CFO.

During the year under review, there was no audit qualification on the Company's financial statements. The Company uploads its Financials on its website www.godavaridrugs.com. The Internal Auditor makes proper reporting to the Board as stipulated in the Law.

E-voting

Pursuant to the requirements of the Companies Act, 2013 and the Listing Agreement, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.



Means of Communication

The Company shares are listed on Bombay Stock Exchange and financial results on quarterly basis are being submitted to the Stock Exchange and have been published in newspapers.

The quarterly financial results of the company are generally published in Business Standard (English Daily) and Andhra Bhoomi (Telugu Daily).

A separate dedicated section under 'Investors Relation' on the Company's website gives information on various aspects such as financial details, Shareholding Patterns, quarterly results etc.

General Shareholder Information

Sl No	Item	Details		
1.	AGM Date, Time and Venue	On 13th August, 2015 at 3.30 PM at J.S.Krishnamurthy Hall, FTAPCCI Premises, Red Hills, Hyderabad (To be held)		
2.	Financial Calendar 2015-2016(Tentative)	First Quarter Results – By 15th Aug 2015 Second Quarter /Half year Results- By 15th November 2015 Third Quarter/Nine Months Results- By 15th February 2016		
3.	Dates of book closure	06.08.2015 to 13.08.2015		
4.	Listing on Stock Exchanges	Bombay Stock Exchange		
5.	Stock Code	530317 (BSE)		
6.	Demat ISIN No. For NSDL & CDSL	INE362C01012		
7.	Market Price Data	Bombay Stock Exchange Limited		
			High (Rs.)	Low (Rs.)
		April'14	10.89	10.89
		May'14	11.42	8.65
		June'14	11.57	9
		July'14	11	8.25
		August'14	17.19	8.66
		September'14	18.76	15.1
		October'14	18.7	14.7
		November'14	37.2	19.6
		December'14	52.6	37.9
		January'15	78.75	53.65
		February'15	86.85	68.4
March'15	69.9	45		
8.	Registrars and Transfer Agents (For both physical and electronic)	CIL Securities Ltd. 214, Raghava Ratna Towers, Abids, Hyderabad - 500001 Email ID: rta@cilsecurities.com		
9.	Share transfer system	Share transfers are registered and returned with in a Period of thirty days from the date of receipt, if the documents are in order in all respects.		



10. Shareholding Pattern as on 31st March 2015	Category	No. of Shares	%
	Promoter	3721204	49.42
	Financial Institution & Banks	62727	0.83
	Bodies Corporate	483289	6.42
	Indian Public	2912824	38.68
	NRI's / OCB's	350456	4.65
	TOTAL	7530500	100

11. Distribution of Shareholding as on 31st March 2015

Shareholding of Nominal value		No. of Holders	% of total Holders	Shares Amount	% of total Amount
From	To				
—	5000	3412	85.09	5170330	6.87
5001	10000	287	7.16	2438050	3.24
10001	20000	119	2.97	1913180	2.54
20001	30000	45	1.12	1118480	1.48
30001	40000	20	0.50	726010	0.96
40001	50000	23	0.57	1084940	1.44
50001	100000	30	0.75	2137550	2.84
100001	75305000	74	1.85	60716460	80.63
		4010	100.00	75305000	100.00

12. Dematerialization of shares and liquidity
The trading in Company's shares is permitted only in dematerialized form. In order to enable to shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with NSDL and CDSL

13. Plant Location
A-6/2, MIDC, Nanded, - 431 603, Maharashtra.

14. Address for correspondence (Registered office)
1-8-303/34, Mayfair, Sardar Patel Road, Secunderabad – 500 003,
Phone: 91-40-2784 9700 Fax: 91-40-2784 9859
E-mail: info@godavaridrugs.com

* Shareholders holding shares in electronic form should address all their Correspondence to their respective depository participants.

Name, Designation & Address of the Compliance Officer:

Mr. Jeevan Innani, Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of Listing Agreement with the Stock Exchanges.

Godavari Drugs Limited

A6/2, M.I.D.C.

Nanded – 431603

Email: info@godavaridrugs.com



DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT (Under Clause 49 I (D) (ii) of Corporate Governance)

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company www.godavaridrugs.com

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31 March, 2015.

Place: Secunderabad
Date: 30.05.2015

Mukund Kakani
(Managing Director)

CEO AND CFO CERTIFICATE UNDER CLAUSE 49 (IX) OF THE LISTING AGREEMENT

The Board of Directors
Godavari Drugs Limited
Secunderabad

We, Mukund Kakani, Managing Director and Chief Executive Officer, and Kirti Kumar Jain, Director and Chief Financial Officer, to the best of our knowledge and belief, certify that:

We have reviewed the Balance Sheet, Statement of Profit and Loss and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies, if any.

We further certify that –

- a) there have been no significant changes in internal control over financial reporting during the year 2014-15;
- b) there have been no significant changes in accounting policies during the year 2014-15; and
- c) there have been no materially significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors
For **Godavari Drugs Limited**

Place: Secunderabad
Date: 30.05.2015

Mukund Kakani
(Managing Director &
Chief Executive Officer)

Kirti Kumar Jain
(Director &
Chief Financial Officer)



**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
TO THE MEMBERS, GODAVARI DRUGS LIMITED**

We have examined the compliance of conditions of corporate governance by Godavari Drugs Limited, for the year ended on 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.DAGA & CO.,
Chartered Accountants
(ICAI FRN:000669S)

(Shantilal Daga)
M.No. 011617
Partner

Place: Hyderabad
Date : 30.05.2015

**Independent Auditor's Report
To the Members of Godavari Drugs Limited
Report on the Financial Statements**

1. We have audited the accompanying financial statements of Godavari Drugs Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and



matters which are required to be included in the audit report under the provisions of the act and rules made there under.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its Profit and its Cash Flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note No. 2.32 to the financial statements, which describes that the confirmation of balances of trade payable, trade receivable, debit and credit to the parties are subject to reconciliation, review and adjustment thereof. Our opinion is not qualified in this respect.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations as on March 31, 2015 on its financial position in its financial statements;
- ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts. The Company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the end of the year;
- iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For S Daga & Co.
Chartered Accountants
(ICAI FRN: 000669S)

(Shantilal Daga)
M. No. 011617
Partner

Place: Hyderabad
Date: 30.05.2015

Annexure to the Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Godavari Drugs Limited on the financial statements as of and for the year ended March 31, 2015

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management during the year and there is regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory has been physically verified by the management during the year. In respect of inventory lying with the parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the registers maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the Information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act and the rules framed there under to the extent notified.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of goods traded by the company.



- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, Income tax, Sales tax/CST, Wealth Tax, Service tax, duty of customs, duty of excise, cess, value added tax and other material statutory dues as applicable to it, with appropriate authorities.

According to the information and explanations given to us, there are no material dues of Income tax, Sales tax/CST, Wealth Tax, Service tax, duty of customs, duty of excise, cess were in arrears, as on March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of sales tax including value added tax, duty of customs and duty of excise as at March 31, 2015 which have not been deposited on account of a dispute are as follows:

Sl. No.	Name of the Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending	Amount Deposited (Rs. In Lakhs)
1	Central Excise Act, 1944	Excise Duty	16.30	2008-09 to 2013-14	Commissioner (A)-Nagpur	0.41
2	Customs Act, 1962	Customs Duty	6.96	2000-01	CESTAT- Mumbai	2.50
	Total		23.26			2.91

- (c) There are no amount required to be transferred to Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made there under.

- (viii) The company has accumulated losses at the close of the year and are not more than 50% of its net worth. The company has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (ix) According to the records of the examined by us, the Company has not defaulted in repayment of dues to financial institutions, banks and bond holders during the current financial year. There are no overdue as on March 31, 2015.
- (x) In our opinion and according to the information given to us, the company has not obtained any term loan from financial institutions/ banks.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied on an overall basis for the purposes for which they were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit nor have been informed of such case by the Management.

For S Daga & Co.
Chartered Accountants
(ICAI FRN: 000669S)

(Shantilal Daga)
M. No. 011617
Partner

Place: Hyderabad
Date: 30.05.2015

**BALANCE SHEET AS AT 31st March 2015****In Rupees**

	Note No.	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Equity And Liabilities			
Shareholders' funds			
Share Capital	2.1	75,305,000	75,305,000
Reserves and Surplus	2.2	55,286,724	19,780,443
Non-Current Liabilities			
Long term Borrowings	2.3	36,428,002	24,167,502
Deferred Tax Liabilities (Net)	2.4	6,178,919	0
Long term Provisions	2.5	3,135,711	2,147,807
Current Liabilities			
Short term Borrowings	2.6	48,394,494	0
Trade payables	2.7	87,793,864	5,603,629
Other current liabilities	2.8	31,800,002	25,175,459
Short-term provisions	2.9	3,085,172	311,426
TOTAL		347,407,887	152,491,266
Assets			
Non-Current assets			
Fixed Assets	2.10		
Tangible Assets		72,750,096	78,943,907
Intangible Assets		0	3,107,772
Capital work-in-progress		4,181,337	0
Investments	2.11	1,000	1,000
Deferred Tax Assets (Net)		0	3,892,732
Long Term Loans & Advances	2.12	1,866,798	1,864,398
Current Assets			
Inventories	2.13	92,802,824	30,367,551
Trade receivables	2.14	131,280,971	5,118,053
Cash & Bank Balances	2.15	2,634,299	2,515,043
Short term Loans & Advances	2.16	41,736,219	26,543,070
Other Current assets	2.17	154,342	137,740
TOTAL		347,407,887	152,491,266

Significant Accounting Policies & Notes on Financial Statements 1 & 2

The Significant Accounting Policies & Notes on Financial Statements form an integral part of Balance Sheet.

As per our attached report of even date

For S.DAGA & Co.,
Chartered Accountants
(ICAI FRN 000669S)

For and on behalf of the Board of Directors

(SHANTILAL DAGA)
Partner M.No.011617MUKUND KAKANI
Managing DirectorKIRTI KUMAR JAIN
Director (Finance)JEEVAN INNANI
Company SecretaryPlace: Hyderabad
Date: 30.05.2015


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015
In Rupees

	Note No.	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
INCOME			
Revenue from Operations (Gross)	2.18	615,161,482	94,346,432
Less: Excise Duty		(66,698,895)	-
		-----	-----
Revenue from Operations (Net)		548,462,587	94,346,432
Other Income	2.19	3,010,901	1,163,571
		-----	-----
TOTAL REVENUE		551,473,488	95,510,003
		-----	-----
EXPENDITURE			
Cost of Raw Materials Consumed	2.20	426,426,097	5,147,174
Cost of Traded Goods	2.21	4,924,267	-
Changes in Inventories of Finished Goods and Work -in-Process	2.22	(27,279,739)	6,284,201
Employee Benefit expenses	2.23	20,084,148	14,644,311
Finance costs	2.24	6,676,239	2,085,493
Depreciation/Amortisation		6,809,772	10,486,117
Other expenses	2.25	66,494,302	49,835,884
		-----	-----
TOTAL EXPENSES		504,135,086	88,483,180
		-----	-----
Profit/(Loss) before tax		47,338,402	7,026,822
Provision for taxation			
Deferred tax		10,501,924	(8,489,345)
Corporate tax (MAT)		9,472,000	1,343,380
MAT Entitlement credit		(9,104,000)	(1,343,380)
		-----	-----
Profit /(Loss) after tax		36,468,478	15,516,167
		-----	-----
EARNINGS PER EQUITY SHARE			
Basic and Diluted earning per share	2.27	4.84	2.06
Face value of each share		10.00	10.00

Significant Accounting Policies & Notes on Financial Statements 1 & 2

The Significant Accounting Policies & Notes on Financial Statements form an integral part of Statement of Profit and Loss

As per our attached report of even date

For S.DAGA & Co.,

Chartered Accountants

(ICAI FRN 000669S)

For and on behalf of the Board of Directors

 (SHANTILAL DAGA)
 Partner M.No.011617

 MUKUND KAKANI
 Managing Director

 KIRTI KUMAR JAIN
 Director (Finance)

 JEEVAN INNANI
 Company Secretary

 Place: Hyderabad
 Date: 30.05.2015


CASH FLOW STATEMENT FOR THE YEAR 2014-15

Particulars	31.03.2015 Amount in Rs.	31.03.2014 Amount in Rs.
A. Cash Flow From Operating Activities:		
Net Profit/loss before prior period adjustments	36,468,478	15,516,167
Adjustment for depreciation	6,809,772	10,486,117
Deferred revenue expenses written off	3,107,772	4,572,205
Deferred Tax Liability	10,501,924	(8,489,345)
Provisions for Gratuity & Leave encashment	3,761,650	78,183
Operating Profit before working capital changes	60,649,596	22,163,327
Adjustment for		
Trade and other receivables	(141,375,071)	3,984,574
Inventories	(62,435,273)	944,131
Trade Payables	88,814,778	(6,984,719)
Cash Generated from Operations	(54,345,970)	20,107,313
Prior period adjustments	-	-
Capital work in progress	(4,181,337)	2,332,486
Net Cash Flow from Operating Activities (A)	(58,527,307)	22,439,799
B. Cash Flow From Investing Activities:		
Purchase Of Fixed Assets	(2,008,431)	(22,862,916)
Deferred revenue expenses	-	-
Net Cash Used In Investing Activities (B)	(2,008,431)	(22,862,916)
C. Cash Flow From Financing Activities:		
Proceeds from Long Term Borrowings	12,260,500	6,813,379
Short Term Borrowings	48,394,494	(6,589,879)
Net Cash flow from Financing Activities (C)	60,654,994	223,500
Net increase in cash and cash equivalents (A+B+C)	119,256	(199,617)
Cash and Cash equivalents at beginning of the year	2,515,043	2,714,660
Cash and Cash equivalents at end of the year	2,634,299	2,515,043

As per our attached report of even date

For S.DAGA & Co.,
Chartered Accountants
(ICAI FRN 000669S)

For and on behalf of the Board of Directors

(SHANTILAL DAGA)
Partner M.No.011617

MUKUND KAKANI
Managing Director

KIRTI KUMAR JAIN
Director (Finance)

JEEVAN INNANI
Company Secretary

Place: Hyderabad
Date: 30.05.2015

**Notes on financial statements for the year ended 31st March, 2015****Note No. 1: SIGNIFICANT ACCOUNTING POLICIES****1.1 ACCOUNTING CONCEPTS**

The company follows mercantile system of Accounting and recognizes Income and Expenditure on accrual basis. Accounting Policies not otherwise referred to consistent with generally accepted principles.

1.2 REVENUE RECOGNITION

- a) Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership are transferred to the customer.
- b) Interest income is accounted as per contractual terms entered into with the parties concerned.

1.3 TURNOVER

Turnover comprises sale of goods, raw materials and contract manufacturing charges.

1.4 FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

1.5 DEPRECIATION:

We hereby certify that depreciation on Plant and Machinery, Factory Building, Electrical Installation and Lab Equipments has been charged as per the rates and manner specified in Schedule II of the Companies Act 2013 and on Furniture and Fixtures, Vehicles, Office Equipment and Computers on WDV.

The following factors have also been considered while charging the depreciation:

- I. Depreciation has been provided on the basis of SLM method as per the rate in Schedule II of Companies Act 2013.
- II. Factory Plant as continuous process plant based on the technical considerations involved.

1.6 INVENTORIES

Raw materials, Trading goods, Work-in-process and finished goods are valued at the lower of cost or net realizable value.

Cost of raw materials, packing materials, trading goods and stores, spares is determined on first - in first - out basis. Cost of work-in-process includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.7 BORROWING COSTS

Borrowing costs that are attributable to acquisition of machinery or construction of buildings are capitalized as part of such assets for the period up to the date such assets are put to use. All other borrowing costs are charged to revenue.

1.8 RESEARCH AND DEVELOPMENT

- (i) Equipment purchased for research and development is capitalised when commissioned and included in the gross block of fixed assets
- (ii) Research and Development expenditure incurred are charged to Profit & Loss account of the year under relevant head of Account.
- (iii) Research and Development expenditure incurred on identified products on or before 31st March 2003, the benefit of which is expected to accrue to the company over period of time will be written off in five years from the production/launch of the product.



1.9 GOVERNMENT GRANTS

Grants in the form of capital/investment subsidy are treated as capital reserve.

1.10 FOREIGN EXCHANGE TRANSACTIONS

Revenue from overseas clients and collections are recorded at the exchange rate as of the date of the respective transactions. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Monetary Assets and Liabilities denominated in foreign currency as at the Balance Sheet date not covered by foreign exchange contracts are translated at year-end rates. The resultant exchange differences are recognized in the Profit & Loss account.

1.11 EMPLOYEE BENEFITS

a) Short term employee benefits

Undiscounted value of short term employee benefits such as salaries, wages, short term compensated absences bonus, exgratia and performance incentives are recognized as expense in the period in which the employees render the related service.

b) Post employment Benefits

Defined contribution plans

Contribution to defined contribution plans being Employee Provident Fund, Employee State Insurance, Employee Pension Schemes, Labour Welfare Fund, Employee Insurance Scheme and Super Annuation Fund are recognized in the statement of Profit and Loss during the period in which the employees render the related services.

Defined Benefit Plans

Liabilities in respect of defined benefit plans being Gratuity and Leave encashment are determined based on an actuarial valuation using the projected unit cost method. Actuarial gains or losses are recognized immediately in the statement of profit and loss

1.12 Investment

Investments are classified into current and long-term investments. Current Investments are stated at the lower of cost and fair value. Long term investments are stated at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments.

1.13 TAXES ON INCOME

Tax on Income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred tax assets and liabilities are accounted for based on the difference between taxable income and accounting income that originate in one period and reasonably expected to reverse in the subsequent periods.

Deferred tax assets arising from timing differences are recognised to the extent, there is reasonable certainty that these would be realised in future.

1.14 SEGMENT REPORTING

The Company's operations mainly comprises manufacturing of bulk drugs and Contract manufacturing. These activities constitute the primary segment.

1.15 EARNINGS PER SHARE

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.



For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.16 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such an indication exists, then the carrying value is reduced to the higher of the net selling price or the value in use. The value in use is the present value of estimated future net income expected from use of the asset.

1.17 CONTINGENT LIABILITIES:

We hereby certify that the amount of Contingent liabilities as noted in the Balance Sheet as on 31st March, 2015 is adequate.

We hereby certify that there are no liabilities contingent or otherwise as on 31st March, 2015 which have not been considered in the accounts of the Company for the year ended on that date, and there are no tax or other claims for litigation pending against the Company which have financial implementation other than those shown as such in the Balance Sheet.

Notes on Financial Statements for the Year ended 31st March, 2015

Note No. 2

In Rupees

	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Note No.2.1		
Share capital		
Authorised 100,00,000 (Previous Year 100,00,000) Equity shares of Rs.10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid Up		
75,30,500(Previous Year 75,30,500) Equity shares of 10/- each	75,305,000	75,305,000
TOTAL	75,305,000	75,305,000

The Company is having one class of Equity Shares of face value Rs.10 per share. Each holder of Equity share is entitled to one vote per share.

The Number of shares at the beginning and the end are the same. There are no fresh issue of shares or forfeiture during the current year and in the previous year.

Details of Equity Shareholders holding more than 5 % of equity shares along with No.of Equity Shares held at the beginning and at the end of the reporting period are as given below:-

	As at 31.03.2015		As at 31.03.2014	
	No.of shares	%	No.of shares	%
Kamala Jaju	902,676	11.99	902,676	11.99
Sushma Kakani	952,700	12.65	952,700	12.65


Notes on Financial Statements for the Year ended 31st March, 2015
Note No.2.2
RESERVES AND SURPLUS
RESERVES
Capital Reserves:

Central Subsidy	1,000,000	1,000,000
Maharastra State Special Capital Incentive	4,500,000	4,500,000
	5,500,000	5,500,000
Securities premium Reserve	106,318,993	106,318,993
Investment Allowance Reserve	1,654,000	1,654,000
Surplus in statement of profit and loss		
As per last balance sheet	(93,692,550)	(109,208,718)
Add:(Loss)/Profit for the year	36,468,478	15,516,168
	(57,224,072)	(93,692,550)

Less: Adjustment For Carrying Amount Of Assets
(Net of Deferred Tax of Rs. 4,30,273/-) Pursuing to
Enactment of Schedule II of Companies Act,2013
Net Surplus (58,186,269)

(962,197) 0

TOTAL RESERVES & SURPLUS

55,286,724 19,780,443

Note No.2.3
Long term borrowings
Unsecured

Loans from Directors	27,075,212	17,084,712
Loans from Related Parties	9,352,790	7,082,790

TOTAL

36,428,002 24,167,502

Note No 2.3 A

Loans from Directors & Other Related Parties are repayable after 12 Months and carries interest rate Of 15% p.a.

Note No.2.3 B

Repayment of Unsecured loans are sub-ordinated to bank borrowings - Cash credit from Andhra Bank

Note No.2.4
Defferred Tax Liabilities

Defferred Tax Liabilities arising on account of

On Fiscal allowances on Fixed assets	7,314,257	(4,925,651)
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Deferred Tax Asset

On Employees benefits	(1,135,338)	8,818,383
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Net Deferred Tax Liability/(Asset)

6,178,919 -3,892,732



Notes on Financial Statements for the Year ended 31st March, 2015

Note No.2.5

Long Term Provisions

Provision for Gratuity	2,898,935	1,998,529
Provision for Leave Encashment	236,776	149,278

TOTAL	3,135,711	2,147,807
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Note No.2.6

Short Term Borrowings

From Bank-Cash Credit Facility	48,394,494	0
(Cash Credit Loan from Andhra Bank, Hyderabad are Secured by Hypothecation of First Charge on Inventory, Trade Receivables, Movable Assets & Immovable Assets & Guaranteed by Directors other than Independent Directors. Cash Credit Limit carries Interest rate of (Base Rate + 3.5%)		

TOTAL	48,394,494	0
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Note No.2.7

Trade Payables

Raw materials	73,434,122	3,164,151
Others	14,359,742	2,439,478

TOTAL 87,793,864	5,603,629	
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Note No.2.7A

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under

Principal amount due and remaining unpaid	-	-
interest due on above and the unpaid interest		
interest paid		
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the Company.


Notes on Financial Statements for the Year ended 31st March, 2015
Note No.2.8
Other Current liabilities

Interest accrued and due on Borrowings	997,994	473,100
Interest accrued but not due on Borrowings	1,312,129	0
Other Payables:		
Sundry Creditors for Capital goods	1,554,582	1,719,433
Statutory Liabilities	4,608,524	753,522
Other Liabilities	23,326,773	22,229,404
TOTAL	31,800,002	25,175,459

Note No.2.9

Short term term Provisions		
Provision for Gratuity	89,840	287,596
Provision for Leave Encashment	7,831	23,830
Provision for Tax	10,727,000	
Less: Taxes Paid	(7,739,499)	0
TOTAL	3,085,172	311,426



Notes on financial statements for the year ended 31st March, 2015
Note No.2.10

Name of the Asset	GROSS BLOCK				DEPRECIATION BLOCK			AMOUNT IN RS	
	As at 01.04.14	Additions during Year	As at 31.03.15	Upto 01.04.14	for the Year	Transfer to Reserves	Upto 31.03.15	As at 31.03.15	As at 31.03.14
Tangible Assets									
Leasehold land	327,800	-	327,800	-	-	-	-	327,800	327,800
Factory Building	33,087,011	-	33,087,011	13,032,708	975,372	-	14,008,080	19,078,931	20,054,303
Plant & Machinery	177,343,419	-	177,343,419	125,371,359	4,692,295	-	130,063,654	47,279,765	51,972,060
Elect. Installations	11,142,949	-	11,142,949	6,745,679	389,313	1,372,258	8,507,250	2,635,699	4,397,270
Laboratory Equipments	1,215,639	-	1,215,639	1,033,076	40,246	14,080	1,087,402	128,237	182,563
Furniture & Fixture	788,296	70,552	858,848	416,986	108,063	-	525,049	333,799	371,310
Vehicles	2,741,437	1,750,000	4,491,437	1,461,658	382,230	-	1,843,888	2,647,549	1,279,779
Office Equipment	639,590	-	639,590	509,826	19,467	6,132	535,425	104,165	129,764
Computers	1,789,903	187,879	1,977,782	1,560,846	202,786	-	1,763,632	214,150	229,057
Total	229,076,044	2,008,431	231,084,475	150,132,138	6,809,772	1,392,470	158,334,380	72,750,096	78,943,907
Intangible Assets									
R & D	19,725,555	-	19,725,555	16,617,783	3,107,772	-	19,725,555	-	3,107,772
	19,725,555	-	19,725,555	16,617,783	3,107,772	-	19,725,555	-	3,107,772
Total	248,801,599	2,008,431	250,810,030	166,749,921	9,917,544	1,392,470	178,059,935	72,750,096	82,051,679
Previous Year	225,938,683	22,862,916	248,801,599	151,691,600	15,058,322	-	166,749,921	82,051,679	74,247,083

(Includes adjustment of depreciation against retained earnings, pursuant to the provisions of Schedule II of the Companies Act, 2013 effective from 1st April, 2014)

in case of assets whose useful life have ended, the carrying values, net of residual values as at 1st April, 2014 amounting to Rs 13,92,740/- (Lacs)


Notes on Financial Statements for the Year ended 31st March, 2015

	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Note No.2.11		
NON CURRENT INVESTMENTS		
Long Term Quoted		
In Fully Paid Equity Shares		
Trade	1,000	1,000
500 HDFC Shares @ Rs. 2 per share Face Value	-----	-----
	1,000	1,000
Quoted Investments		
Market Value	511,425	374,425
Note No. 2.12		
Long term Loans and Advances		
Unsecured, Considered good:		
Security Deposits	1,866,798	1,864,398
TOTAL	1,866,798	1,864,398
Note No.2.13		
Inventories		
Raw materials (Includes Stock in Transit of Rs.1,65,672- Pr Year NIL)	40,962,158	10,182,406
Work-in-Process	11,664,041	7,879,279
Finished Goods	34,864,595	11,369,618
Stores and Spares	5,312,030	936,248
TOTAL	92,802,824	30,367,551
Note No. 2.13 A		
Inventories includes materials lying with the third parties	21,058,817	Nil
Note No.2.14		
Trade Receivables		
Unsecured considered good		
Out standing for a period exceeding six months from the date they are due for payment	469,215	0
Others	130,811,756	5,118,053
TOTAL	131,280,971	5,118,053


Notes on Financial Statements for the Year ended 31st March, 2015

	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Note No.2.15		
Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Bank	350,525	2,123,627
Cash on hand	163,774	376,416
Other Bank Balances		
Deposits - Margin Money with maturity for more than 3 months but less than 12 months	2,120,000	15,000
TOTAL	2,634,299	2,515,043

Note No. 2.15A

Deposit with bank is against margin money on L.C. and B.G. maturing after 90 Days

Note No.2.16

Short term Loans & Advances		
Unsecured Considered good:		
Loans and advances to employees	1,264,040	1,105,637
Advances to suppliers	7,733,553	7,124,341
MAT Credit entitlement	10,359,000	1,343,380
Deposits with others	290,752	0
Cenvat credit receivable	20,986,718	14,129,083
Prepaid expenses	716,162	594,096
VAT receivables	385,995	436,763
Taxes paid (Net of Provisions)	0	1,809,770
	41,736,219	26,543,070
Unsecured considered doubtful		
Sreepathi Pharmaceuticals	0	2,967,370
Less : Provision created/Bad debts	0	-2,967,370
	0	0
TOTAL	41,736,219	26,543,070

Note No.2.17

Other current assets		
Interest receivable - Others	154,342	137,740
TOTAL	154,342	137,740


Notes on Financial Statements for the Year ended 31st March, 2015

	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Note No. 2.18		
Revenues from operations		
Sale of products		
Finished Goods	564,399,835	13,823,235
Trading Goods	6,897,010	-
	-----	-----
	571,296,845	13,823,235
Contract Manufacturing	43,864,637	80,523,197
Total	615,161,482	94,346,432
Note No. 2.19		
Other Income		
Interest income	170,378	176,790
Net Gain on foreign currency	2,823,692	0
Transaction and translation		
Others	16,831	986,781
Total	3,010,901	1,163,571
Note No. 2.20		
Cost of raw materials consumed		
Opening Stock	10,182,406	5,569,963
Add:Purchases	457,040,177	9,759,617
	-----	-----
	467,222,583	15,329,580
Less :Closing Stock	40,796,486	10,182,406
Total	426,426,097	5,147,174
Note No. 2.20A		
Details of raw materials consumed		
DCFA	95,936,584	--
Q Acid	133,987,254	5,147,174
Others	196,502,259	--
Total	426,426,097	5,147,174


Notes on Financial Statements for the Year ended 31st March, 2015

	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Note No. 2.21		
Details of purchase of traded goods		
Raw Materials	4,924,267	-
Total	4,924,267	-

Note No. 2.22
Increase or Decrease in inventories

Inventories At The Beginning Of The Year

Finished goods	11,369,618	17,712,415
Work in process	7,879,279	7,820,683
	-----	-----
	19,248,897	25,533,098

Inventories at the end of the year

Finished Goods	34,864,595	11,369,618
Work in process	11,664,041	7,879,279
	-----	-----
	46,528,636	19,248,897
(Increase)/Decrease In Inventories	(27,279,739)	6,284,201

Note No. 2.23
Employee Benefit expenses

Salaries, Wages and Other Benefits	18,465,692	13,464,687
Contribution to Provident and Other funds	1,195,931	1,029,048
Staff welfare Expenses	422,525	150,576
Total	20,084,148	14,644,311

Note No. 2.23.a
Employee Benefit:

As per Accounting Standard 15 "Employees Benefits" the disclosures of Employees Benefit as defined in the Accounting Standard are given below:

Defined Contributions:

Payments and Provisions for employees include Rs.11.96 lakhs (Previous Year RS.10.11 lakhs) recognised as expenses in respect of defined contribution plans.

Defined Benefit Plans:

Gratuity - Gratuity is payable to all the eligible employees of the Company on resignation, death, Permanent disablements in terms of the Payment of Gratuity Act,1972

Leave Encashment - Entitlement of annual leave is recognised when they accrue to employees Annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves.


Notes on Financial Statements for the Year ended 31st March, 2015

In Rupees

	Rs. Gratuity		Rs. Leave Encashment	
	As At 31.03.2015	As At 31.03.2014	As At 31.03.2015	As At 31.03.2014
a) Change in present value of obligation				
Present Value of Obligation at beginning of period	2286125	2229049	173108	152001
Interest Cost	199700	163778	13800	10220
Current Service Cost	204631	149558	116810	98737
Past Service Cost- (Vested Benefits)				
Benefits Paid	(134475)	(363646)	(39539)	(48504)
Actuarial (Gain)/Loss on Obligation	432794	107386	(19572)	(39346)
Present Value of Obligation at end of Period	2988775	2286125	244607	173108
b) Amounts to be recognised in the Balance Sheet and Statement of Profit & Loss				
Present value of obligation at end of period	2988775	2286125	244607	173108
Fair value of plan assets at end of period				
Funded Status	(2988775)	(2286125)	(244607)	(173108)
Unrecognised actuarial gain/(loss)				
Net Asset/(Liability) recognised in the Balance Sheet	(2988775)	(2286125)	(244607)	(173108)
c) Expenses recognised in the statement of Profit & Loss				
Current Service Cost	204631	149558	116810	98737
Interest Cost	199700	163778	13800	10220
Past Service Cost- (non vested benefits)				
Net Actuarial (Gain)/loss recognised for the period	432794	107386	(19572)	(39346)
Expenses recognised in the statement of Profit & Loss	837125	420722	111038	69611
d) Movement in the Liability recognised in Balance Sheet				
Opening Net Liability	2286125	2229049	173108	152001
Expenses as above	837125	420722	111038	69611
Contribution Paid	(134475)	(363646)	(39539)	(48504)
Closing Net Liability	2988775	2286125	244607	173108
Past Service Cost- (vested benefits)				
Expected Return on Plan Assets				


Notes on Financial Statements for the Year ended 31st March, 2015
Assumptions

Mortality IALM (2006-08)Ult	LIC Ult (1994-96)	ALM Ult (2006-08)	LIC Ult (1994-96)	ALM Ult (2006-08)
Discount Rate	7.77%	9.00%	7.77%	9.00%
Rate of Increase in Compensation	1.50%	1.50%	1.50%	1.50%
Rate of return (expected) on Plan Assets	NA	NA	NA	NA
Attrition Rate	16.30	14.79	16.30	14.79
Maximum Limit for Gratuity (Rs. Lakhs)		10.00		10.00

In Rupees

Note No. 2.24
Finance Costs

Interest expenses

- Bank	1,382,456	0
- Others	4,956,703	2,085,493
Other borrowing cost	337,080	0

Total	6,676,239	2,085,493
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Note No. 2.25
Other Expenses

Power & fuel	29,686,424	23,582,234
Consumption of Stores and spares	12,320,795	7,135,622
Rent	480,000	480,000
Repairs and maintenance:		
-Plant and machinery	2,901,819	1,101,937
- Building	2,308,941	0
- Others	1,097,129	56,230
Insurance	364,578	246,983
Deffered revenue exp. written off	3,107,772	4,572,205
Research & Development expenses	2,298,109	1,542,623
Bad debts	0	2,967,370
Rates & taxes	629,034	239,105
Travelling and conveyance	2,092,834	1,106,631
Freight outward	946,254	70,510
Miscellaneous expenses	8,260,613	6,734,435

Total	66,494,302	49,835,884
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Notes on Financial Statements for the Year ended 31st March, 2015

	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Note. No. 2.26		
(a) CONTINGENT LIABILITIES :		
(i) On account of Bank Guarantee	500,000	0
(ii) Claims against the company/ disputed liabilities not acknowledged as debts:		
(a) In respect of Excise matters	1,629,999	0
Demand raised for the year 2008-09 to 2013-14 (Oct-2013)-Appeal pending with Commissioner Appeals (Central Excise - Nagpur)		
(b) In respect of Customs matter - Demand raised for the year 2000-2001.and Appeal pending with CESTAT Mumbai)	696,062	0
The Company expects no liability in respect of above matters.		
TOTAL	2,826,061	-
Note No. 2.27		
	2014-15	2013-14
Earning Per Share		
Net Profit after tax attributable to equity shareholders	36,468,478	15516167.37
weighted average of number of Shares	7,530,500	7530500
Total Shares Outstanding	7,530,500	7530500
Basic and Diluted earnings per share	4.84	2.06
Face value per share	Rs.10/-	Rs.10/-
Note No. 2.28		
	2014-15	2013-14
CAPITAL INCENTIVE		
Maharashtra State Special Capital Incentive granted under the 1993 scheme are refundable if within the operating period the company does not comply any of the conditions mentioned in terms of the sanction	4,500,000	4500000
Subsidy from Central Government	1,000,000	1000000
TOTAL	5,500,000	5,500,000
Note No. 2.29		
	2014-15	2013-14
Claim of Cenvat Refund receivable towards Cenvat Credit availed on inputs used in Manufacture of finished Product sold in domestic market is pending with department and expects full realisation.	2,798,385	2798385


Notes on Financial Statements for the Year ended 31st March, 2015

	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Note No. 2.30		In Rupees
Company has evaluated the expenditure incurred on the development cost of new product and related pending end use of the same and accordingly these expenses have been written off :		
(a) For the Year	3107772	4572205
(b) at the Close of the year	0	3107772
Note No. 2.31	2014-15	2013-14
Depreciation & Amortization		
Depreciation On Tangible Assets	6,809,772	10,486,117
Amortization On Intangible Assets	3,107,772	4,572,205
TOTAL	9,917,544	15,058,322

- (a) In accordance with the provisions of Schedule II of the Companies Act, 2013 effective from 1st April, 2014, the carrying value (Net of residual value) amounting to Rs. 9,62,197/- (Net of Deferred Tax of Rs. 4,30,273/-) as a transitional provision has been recognised in the retained earnings.
- (b) Further in case of assets acquired prior to 1st April, 2014, the carrying value of assets (Net of Residual Value) is depreciated over the remaining useful life as determined effective from 1st April, 2014.
- (c) Depreciation & Amortization expenses for the year would have been higher by Rs.21,42,938/- had the company continued with the previous assessment of useful life of such assets.

Note no. 2.32

The Company has not obtained Confirmations of balances outstanding to trade payables and receivables to debit and credit of the parties which are subject to reconciliation and review thereof by the management.

Note No. 2.33
RELATED PARTY TRANSACTIONS
Names of Associated Companies

Godavari Capital Pvt. Ltd.
Godavari Homes Pvt. Ltd
A.K. Paper Products Pvt. Ltd.

NAMES OF ASSOCIATED FIRMS : NIL
NAMES OF KEY MANAGEMENT PERSONNEL

Mr. Mukund Kakani, Mr. Mohit Jaju, Mr. Kirti Kumar Jain and Mr. Jeevan Innani

Names of Relatives of Key Management Personnel

Mr. Ghanshyam Jaju, Mrs. Kamala Jaju, Ghanshyam Jaju HUF, and Mrs. Sushma kakani


Notes on Financial Statements for the Year ended 31st March, 2015

Nature of transaction	Key Management Personnel	Relatives	Associates	Total
A. Rent Paid				
Sushma kakni		180,000		180,000
		(180,000)		(180,000)
Mohit jaju	300,000			300,000
	(300,000)			(300,000)
B. Remuneartions				
Mukund Kakani	288,000			288,000
	(288,000)			(288,000)
Kirtikumar Jain	180,000			180,000
	(180,000)			(180,000)
Mohit jaju	180,000			180,000
	(180,000)			(180,000)
C. Interest				
Kamala Jaju		1,094,083		1,094,083
		(776,906)		(776,906)
Ghanshyam Jaju (HUF)		285,514		285,514
		(232,800)		(232,800)
Ghanshyam Jaju		1,233,719		1,233,719
		(1,075,787)		(1,075,787)
Mukund Kakani	1,189,294			1,189,294
	-			-
Kirti Kumar Jain	334,836			334,836
	-			-
Mohit Jaju	818,595			818,595
	-			-
D. Purchase Stores				
A.K.Paper Products Pvt. Ltd.			407711	407,711
			(195,879)	(195,879)
Sundry Creditors				
Sushma Kakani		101,124		101,124
		(50,562)		(50,562)


Notes on Financial Statements for the Year ended 31st March, 2015
Loans

Mohit Jaju	7,863,165	7,863,165
	(671,740)	(671,740)
Mukund Kakani	9,299,023	9,299,023
	(7,158,456)	(7,158,456)
Kirti Kumar Jain	2,487,498	2,487,498
	(2,154,516)	(2,154,516)
Ghanshyam Jaju	9,106,065	9,106,065
	(7,100,000)	(7,100,000)
Ghanshyam Jaju (HUF)	2,031,553	2,031,553
	(1,903,424)	(1,903,424)
Kamala Jaju	7,950,821	7,950,821
	(5,179,366)	(5,179,366)

In Rupees

Note no. 2.34
2014-15
2013-14
Miscellaneous expenses includes
Payment to Statutory Auditors towards :

Statutory Audit fees	100,000	50,000
Fee for audit under IT Act	25,000	15,000
Certification and other matters	40,000	10,000

TOTAL
165,000
75,000
Note No. 2.35
Particulars of sales, Closing and Opening Inventory

In Rupees

	Sales Value		Closing Inventory	Opening Inventory
	2014-15	2013-14	31.03.2015	01.04.2014
Manufacturing				
Bulk Drugs (Net of ED)	498,460,150	13,823,235	34,864,595	11,369,618
Contact Mfg.	43,864,637	80,523,197	-	-
Trading (Raw Materials)				
Raw Materials (Net of ED)	6,137,800	-	-	-
Total	548,462,587	94,346,432	34,864,595	11,369,618


Notes on Financial Statements for the Year ended 31st March, 2015

				In Rupees
Note No. 2.36	% of cons	2014-15	% of Cons	2013.14
Value of Raw material Consumed				
Imported	63.20	272,581,899	0	0
Indigenous	36.80	158,533,399	100%	5,147,174
				In Rupees
Note No. 2.37	% of cons	2014-15	% of Cons	2013.14
Value of indigenous goods, Stores & Spares Consumed				
Imported	-	-	-	-
Indigenous	100%	14,907,926	100%	7,135,622
Note No. 2.38				
Value of Imports calculated on CIF basis in respect of :				
Raw materials		298107078	0	0
Note No. 2.39				
Expenses in foreign currency				
Travel and conveyance		341,600	0	-

Note No. 2.40

Previous period's figures have been recast/restated to confirm to the current year presentations.

As per our attached report of even date

For S.DAGA & Co.,
Chartered Accountants
(ICAI FRN 000669S)

For and on behalf of the Board of Directors

(SHANTILAL DAGA)
Partner M.No.011617

MUKUND KAKANI
Managing Director

KIRTI KUMAR JAIN
Director (Finance)

JEEVAN INNANI
Company Secretary

Place: Hyderabad
Date:30.05.2015



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN: L24230TG1987PLC008016

Name of Company: GODAVARI DRUGS LIMITED

Registered Office: 1-8-303/34, Mayfair, Sardar patel Road, Secunderabad -500003.

Name of the Member(s) _____

Registered Address: _____

E-mail Id : _____

Folio No /Client ID : _____ DP ID _____

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

Name : _____ E-mail Id: _____

Address: _____

Signature or failing him _____

Name : _____ E-mail Id: _____

Address: _____

Signature or failing him _____

Name : _____ E-mail Id: _____

Address: _____

Signature or failing him _____

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting / of the company, to be held on the 13th day of August at 2015 at 3.30 p.m. at FTAPCCI, J.S. Krishnamurthy Hall, Red Hills, Hyderabad and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No. Resolution(S)

**Vote
For**

Against

1. **Ordinary Business:**Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year ended 31st March, 2015
2. Re-appointment of Mr. Mohit Jaju (DIN: 03405414) as a Director of the Company
3. Re-appointment of M/s. S. Daga & Co., Chartered Accountants as Statutory Auditors.
4. **Special Business:**Adoption of new set of Articles of Association of Company
5. Approval of Borrowing Limits



Signed this ____ day of ____ 2015.

Affix Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder

Note:

- 1) 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.
- 2) The proxy need not be a member of the company

GODAVARI DRUGS LIMITED

CIN: L24230TG1987PLC008016

Regd. Office: 1-8-303/34, Mayfair, Sardar Patel Road, Secunderabad -500003

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the member attending _____
(In block capitals)

Member's Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 27th Annual General Meeting of the Godavari Drugs Limited, at FTAPCCI, J.S. Krishnamurthy Hall, Red Hills, Hyderabad on Thursday, 13th AUGUST, 2015.

(Member's /Proxy's Signature)

Note:

Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.

BOOK-POST

If undelivered please return to :

GODAVARI DRUGS LIMITED

Regd. Office: 1-8-303/34, Sardar Patel Road,
Secunderabad -500003, Telangana State, India