

29th
Annual Report
2016-2017



GODAVARI DRUGS LIMITED

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



BOARD OF DIRECTORS:

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

Annual General Meeting

12th September, 2017

at 3.30p.m.

at FTAPCCI

J. S. Krishnamurthy Hall

Red Hills, Hyderabad

Bankers :

Andhra Bank
State Bank of Hyderabad
HDFC Bank

Auditors :

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

Registered Office :

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

Factory :

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

Registrars:

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



NOTICE

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

ORDINARY BUSINESS:

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

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

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

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

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Bharathula & Associates, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2017-18, be paid a remuneration of Rs.20000 per annum plus applicable service tax and out of pocket expenses that may be incurred.



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

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

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

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

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

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

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

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

Place: Secunderabad
Date: 30.05.2017

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

**NOTES:**

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



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

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



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

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

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

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

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

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

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

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

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

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



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

'PROFILE OF DIRECTORS BEING APPOINTED'

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



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

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

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

Place: Secunderabad
Date: 30.05.2017

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

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

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

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

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

Item No. 5

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

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

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

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

Item No. 6

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

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

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



Item No. 7

Mr. Mohit Jaju (DIN: 03405414) is associated with the Godavari Drugs Limited, and has a core experience in the field of Production and Technology. A profile of Mr. Mohit Jaju (DIN: 03405414) is given in the section 'Profile of Directors being appointed' annexed to the Notice.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 7 of the Notice for appointment of Mr. Mohit Jaju (DIN: 03405414) as an Executive Director, liable to retire by rotation.

None of the Directors and Key Managerial Personnel of the Company, except Mr. Ghanshyam Jaju (DIN: 00104601) is concerned or interested in the Resolution mentioned at item No.7 of the Notice.

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

Place: Secunderabad
Date: 30.05.2017

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



DIRECTOR'S REPORT

**To,
The Members,**

Your directors have pleasure in presenting their Twenty Ninth Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2017.

Financial Highlights

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

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
		(in Rupees)
Revenue from Operations	764008502	71,30,97,980
EBITDA	60241662	4,68,40,819
Less: Finance cost	25094359	1,87,99,085
Less: Depreciation	8068507	62,61,590
Profit before tax & exceptional items	27078796	2,17,80,144
Less: Exceptional items	-	-
Profit before tax	27078796	2,17,80,144
Less: Tax expenses	8986658	82,69,398
Profit After Tax	18092138	1,35,10,746
Transferred to general reserve	-	-
Proposed Dividend	-	-
Closing Balance in Statement of Profit and Loss	(26583385)	(4,46,75,523)

Company Performance

Your Company has posted good financial results during the year under review. Turnover of the Company has increased from 7130.98 lakhs to 7640.08 lakhs and the Net profit increased from 135.10 lakhs to 180.92 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 2016-17, Four 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, 2016	08	08
13th August, 2016	08	07
14th November, 2016	08	08
9th February, 2017	08	08

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 had formulated Vigil mechanism which is in compliance



with the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations. 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 had 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 Mukund Kakani, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

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 Listing Obligations and Disclosure Requirement (LODR).

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 CESTAT, Mumbai amounting Rs. 6,96,062/-
- Matter of Central Excise & Customs, amounting Rs. 16, 29,999/- is under adjudication with Commissioner (Appeals) Customs, Central Excise & Service Tax, Nagpur.
- Matter of Central Excise & Customs, amounting Rs. 3,98,766/- 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 parties is lying with the Company, which is subordinated to bank borrowings against cash credit limit availed from Andhra Bank. The Company raised funds from the related parties which amounts to deposit under section 73 of the Companies Act 2013.

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 to the Company.

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 Regulations and Rules issued thereunder as well as Listing Obligations and Disclosure Requirement (LODR).

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, 2016; August 13, 2016; November 14, 2016; February 09, 2017.



The composition of the Committee as on 31st March, 2017 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	Director Finance	4	100

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 18 of SEBI Regulations 2015, members of the Audit Committee possess financial / accounting expertise / exposure.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"), 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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (in Lakhs)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
1	Ghanshyam Jaju Chairman	Nil	Nil	Not Applicable
2	Mukund Kakani Managing Director	10.20	148	5.30:1
3	Kirti Kumar Jain Executive Director	5.30	194	2.75:1
4	Mohit Jaju Executive Director	5.30	194	2.75:1
5#	Syed Hussain Independent Director	0.40	Nil	0.26:1
6#	Dilip Patel Independent Director	0.40	Nil	0.26:1
7#	Ramesh Babu Telugu Independent Director	0.30	Nil	0.26:1



8#	Vimala Madon Independent Director	0.40	Nil	0.26:1
9	Jeevan Innani Company Secretary & Compliance Officer	3.60	Nil	1.88:1

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. 16040/- and the percentage increase in the median remuneration of employees in the financial year is 4.68%.

Number of permanent employees on the rolls of company:

Number of employees on the roll of the Company as on 31st March, 2017 was 97 Nos.

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 2016-17 was 5.63%. Percentage increase in the managerial remuneration for the year was 12.63%.

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

The Company affirms remuneration is as per the remuneration policy of the Company.

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. 1,02,00,000/- NIL
- Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than Rs. 8,50,000/- 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, the appointment of M/s Bhattacharjee & Paul, Chartered Accountants (FRN 303026E), be and is hereby recommended as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company to be held in the year 2022 (subject to 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 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, 2017, 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, 2017 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 : 30.05.2017

Ghanshyam Jaju
(Chairman)
DIN: 00104601

Mukund Kakani
(Managing Director)
DIN: 00104646

**ANNEXURE I**

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31st March, 2017**

**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, Mayfair, S.P. Road, Secunderabad - 500 003. 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	96.71%

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 01.04.2016]				No. of Shares held at the end of the year[As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3721204	-	3721204	49.42	3721204	-	3721204	49.42	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-



e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total share-holding of Promoter(A)	3721204	-	-	49.42	3721204	-	-	49.42	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	25227	37500	62727	0.83	-	37500	37500	0.50	(0.33)
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)	25227	37500	62727	0.83	-	37500	37500	0.50	(0.33)
2. Non-Institutions									
a) Bodies Corp.	549882	70500	620382	8.24	412344	70500	482844	6.41	(1.83)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1014707	290753	1305460	17.34	1077092	266753	1343845	17.85	(0.51)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	896608	480000	1376608	18.28	1146656	480000	1626656	21.60	3.32
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	83889	217200	301089	4.00	83184	217200	300384	3.99	(0.01)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	13309	-	13309	0.18	18067	-	18067	0.24	0.06
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-



Sub-total (B)(2)	2708616	1037953	3746569	49.75	2737343	1034453	3771796	50.09	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2733843	1075453	3809296	50.58	2733843	1075453	3809296	50.58	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6455047	1075453	7530500	100.0	6455047	1075453	7530500	100.0	-

B) Shareholding of Promoters -

Sl.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year(As on 31.03.2017)			% 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	159700	2.12	1.19	159700	2.12	1.19	-
7	Mangala Srimal	197000	2.62	2.62	197000	2.62	2.62	-
8	Prakash Chandra Shrima	80000	1.06	1.06	80000	1.06	1.06	-
9	Jayashree Jain	27000	0.36	0.36	27000	0.36	0.36	-
10	Neeraj Jain	37900	0.50	0.00	37900	0.50	0.00	-
11	Manish Jain	33000	0.44	0.00	33000	0.44	0.00	-
12	Mohit Jain	36000	0.48	0.00	36000	0.48	0.00	-
13	Priyanka Jaju	125779	1.67	0.00	125779	1.67	0.00	-
14	Naina Jain	22149	0.29	0.00	22149	0.29	0.00	-
15	Tanushree Kakani	50000	0.66	0.00	50000	0.66	0.00	-
16	Akshiet Kakani	207000	2.75	0.00	207000	2.75	0.00	-

C) Change in Promoters' Shareholding

There is no change Change in Promoters' Shareholding during the year under review.



**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 01.04.2016		Shareholding at the end of the year as on 31.3.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HIGHCRESTT GLOBAL COMPANY	200000	2.66	200000	2.66
2	SHRI PARASRAM HOLDINGS PVT.LTD.	175768	2.33	100	0.00
3	KEWAL KRISHAN GOEL	0	0.00	148700	1.97
4	AUTOFIN LIMITED	138800	1.84	138800	1.84
5	SWET REALTORS PVT. LTD.	100000	1.33	100000	1.33
6	ASHWINI KARANJGAOKAR	100000	1.33	100000	1.33
7	VARUN JAIN	100000	1.33	100000	1.33
8	ANURADHA KARANJGAOKAR	100000	1.33	100000	1.33
9	VRUNDA KARANJGAOKAR	100000	1.33	100000	1.33
10	PAWAN KOTHARI	54800	0.73	98198	1.30

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 (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2017)	% of total shares of the company				No. of shares	% of total shares of the company
01	Kirti Kumar Jain (Director & CFO)	159700	2.12	01.04.2016	0	Nil movement during the year	159700	2.12
		159700	2.12	31.03.2017				
02	Ghanshyam Jaju (Director & Chairman)	343800	4.57	01.04.2016	0	Nil movement during the Year	343800	4.57
		343800	4.57	31.03.2017				
03	Mukund Kakani (MD & KMP)	323100	4.29	01.04.2016	0	Nil movement during the year	323100	4.29
		323100	4.29	31.03.2017				
04	Mohit Jaju (Director)	223400	2.97	01.04.2016	0	Nil movement during the year	223400	2.97
		223400	2.97	31.03.2017				



05	Dilip Patel (Director)	0 0	0 0	01.04.2016 31.03.2017	0 0	Nil movement during the year	0	0
06	Syed Hussain (Director)	0 0	0 0	01.04.2016 31.03.2017	0 0	Nil movement during the year	0	0
07	Ramesh Babu Telugu (Director)	2500 2500	0 0.03	01.04.2016 31.03.2017	0 0	Nil movement during the year	0	0.033
08	Vimala Madon (Director)	0 0	0 0	01.04.2016 31.03.2017	0 0	Nil movement during the year	0	0
09	Jeevan Innani (KMP)	0 0	0 0	01.04.2016 31.03.2017	0 0	Nil movement during the year	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	116873255	37888090	-	154761345
ii) Interest due but not paid	-	5805588	-	5805588
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	116873255	43693678	-	160566933
Change in Indebtedness during the financial year				
* Addition	-	4602831	-	4602831
* Reduction	2646347	-	-	2646347
Net Change	2646347	4602831	-	1956484
Indebtedness at the end of the financial year				
i) Principal Amount	114226908	42965023	-	157191931
ii) Interest due but not paid	-	5331486	-	5331486
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	114226908	48296509		162523417

**XI) 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 / WTD/ Manager		
		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	1020000	530000	530000
	(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	-	-	-
5	Others, Allowances	-	-	-
	Total	1020000	530000	530000
	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	0.40	Nil	0.40
Shri Dilip Patel	0.40	Nil	0.40
Shri Ghanshyam Jaju	Nil	Nil	Nil
Shri Ramesh Telugu	0.30	Nil	0.30
Smt. Vimala Madon	0.40	Nil	0.40

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

(Amount in Lakhs)

Sl.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	5.30	3.6	8.90
	(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			8.90

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	KMP	-		3,00,000
Interest Paid:				
Kamala Jaju	Relative of Director		NA	9,51,507
Ghanshyam Jaju HUF	HUF		NA	2,85,511
Ghanshyam Jaju	Director		NA	13,19,096
Mukund Kakani	Managing Director		NA	11,77,562
Mukund Kakani(HUF)	HUF		NA	86,302
Kirti Kumar Jain	Director		NA	3,30,000
Mohit Jaju	Director		NA	11,31,475
Mohit Jaju (HUF)	HUF		NA	2,09,589
Tanushree Kakani	Relatives of KMP		NA	2,32,809

Purchase of Stores:

A.K.Paper Products Pvt. Ltd.	Associated Company	Ongoing	Based on Transfer Pricing Guidelines	4,66,430
Sundry Creditors:				
Sushma Kakani	Relatives of KMP	NA	NA	2,06,850
Loans:				
Mohit Jaju	Director	Repayable after 31.03.2018	Carries interest rate of 15% p.a.	46,79,845
Mukund Kakani	Managing Director	Repayable after 31.03.2018	Carries interest rate of 15% p.a.	85,77,929
Kirti Kumar Jain	Director	Repayable after 31.03.2018	Carries interest rate of 15% p.a.	28,74,152
Ghanshyam Jaju	Director	Repayable after 31.03.2017	Carries interest rate of 15% p.a.	89,33,713
Ghanshyam Jaju (HUF)	HUF	Repayable after 31.03.2017	Carries interest rate of 15% p.a.	19,03,414
Kamala Jaju	Relative of Director	Repayable after 31.03.2017	Carries interest rate of 15% p.a.	34,95,971
Mukund Kakani (HUF)	HUF	Repayable after 31.03.2018	Carries interest rate of 15% p.a.	20,00,000



Mohit Jaju (HUF)	HUF	Repayable after 31.03.2018	Carries interest rate of 15% p.a.	50,00,000
Tanushree Kakani	Relatives of KMP	Repayable after 31.03.2018	Carries interest rate of 15% p.a.	55,00,000

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

To control the carbon mapping and fuel cost special equipments such as Multi- effect evaporators are being installed to reduce the steam and fuel consumption.

The electrical power consumption is optimized by maintaining a power factor exceeding 0.97.

Capital investment on energy conservation equipments: Nil

b) Technology Absorption

Efforts made for technology absorption:

Focus is always on new ideas & innovations to support existing businesses. Backward integration has been taken up through innovative technology and in-house R & D has been successfully implemented. New equipments are installed and are running to achieve commercial implementations.

Benefits derived:

Focus on efficiency optimization has contributed on obtaining the targeted operations. Achieved better consistency of operation, thereby reaching improved production process, & improved cost of production.

Expenditure on Research & Development, if any:

- a. Capital Rs. Nil
- b. Recurring Rs. 25,14,285/-
- c. Total 25,14,285/-
- d. Total R &D expenditure as a % of total turnovers: 0.36%

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



Particulars	Unit	2016-17	2015-16
A. Power & Fuel Consumption			
1. Electricity			
a) Purchased Units	000KWH	2472	1962
Total Amount	Rs. In Lacs	191.97	147.98
Average cost	Rs. / KWH	7.36	7.54
2. Coal			
Quantity	Tons	Nil	Nil
Total Cost / Average Cost	Rs.In Lacs	Nil	Nil
3. Furnace OilQuantity	K.L.	Nil	Nil
Total Cost / Average Cost	Rs. In Lacs	Nil	Nil
Agro / Ind. Waste Quantity	Tons	6370.8	3917.19
Total Cost	Rs. In Lacs	255.47	123.30
Average Cost	Rs./ Ton	4.01	3.15
4. Others /Internal Generation	Nil	Nil	Nil

Form for Disclosure of particulars with respect to Conservation of Energy

Foreign Exchange Earnings/ Outgo:

Earnings	The foreign exchange earnings on account of sale of goods were USD 1.02 Lakhs (Rs.67.89 lakhs)
Outgo	The foreign exchange outgo on account of purchase of raw material is USD 55.41 Lakhs (Rs.3766.25 lakhs)

ANNEXURE IV

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2017.

[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, 2017 ("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, 2017 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: 30.05.2017

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: 30.05.2017

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**

To achieve steady and forward growth the Company is seriously and consistently innovating to develop new products while certain forward looking statements in this report will be subject to some risks and uncertainties the other factors could differ from those suggested by the forward looking statements. The Company has successfully been audited by certain multinational companies, benefit of which will be felt in future course of time multipurpose / flexible containment facility with significant backward integration that provides opportunities to change / add certain products to cater to the growing market needs.

WHO GMP compliant multipurpose manufacturing facilities create future opportunities.

❖ **Industry Structure and Developments**

The volumes of medicines used globally is increasing constantly and it is estimated that global spending on medicines is likely to touch \$1.4 trillion by 2020. Spending levels will be driven by branded drugs mainly in developed markets alongwith greater use of generics in emerging markets. Positive growth is foreseen in future driven by growing middle class, ageing population and improved health insurance and services.

❖ **Opportunities and threats**

- The Company emphasizes on risk managements and has an wide approach on identifying and managing key operational and strategic risks. Though this approach the Company strives to identify opportunities and enhance organizational values while managing or mitigating risks that can adversely effect future performance.
- Insurance in spending on medicines is a positive factor for growth of pharmaceutical industry.
- Government approach in enhancing medical spending is positive factor for the pharmaceutical industry.

The financial highlights are as under: -

(Rs. in Rupees)

Sales for the year 2016-2017	755985198
Profit after tax	18092138
Paid up equity share capital as on 31st Mar'2017	75305000
Finance costs	25094359
Depreciation / Amortisation	8068507
Employee Benefit Expenses	23790815

❖ **Risks and Outlook**

The Company lays emphasis on risk management and has a wide approach to risk management on identifying and managing key operational and strategic risk.

The Company continues its initiatives aimed at assessment and avoidance of various risks affecting its business and towards cost control and efficiency across its businesses and functions taking appropriate measures and reviewing them from time to time. The Company risk management and control procedures involve continuing assessment of these risks and devise appropriate controls and reviewing the control mechanism and redesigning it from time to time in the light of its effectiveness.



❖ **Internal control systems**

The Company has a well established internal control systems, which is designed to continuously asses effectiveness and efficiency of financial and operational controls. The Company conducts its business with high standards of ethical behavior and in compliance with laws and regulations that governs its business. It has a well established frame work of internal controls in operations supported by standard operating procedures, policies and guidelines. These controls are constantly reviewed and revised with the changing business dynamics. The management takes appropriate actions on recommendations made by statutory auditors, cost auditors and audit committee of the board of directors.

❖ **Human Resources**

The Company has a structured process to identify, recruit, train and retain young talent. During the year the focus was on building a performing and growing organization by introducing new policies and processes. Numerous motivational activities were planned for the employees through out the year with the added emphasis on safe operation the training given to employees not only cover knowledge and technical skills but also lays stress on behavioral areas like creating a safety mind set and attitude building.

The Company had cordial and harmonious industrial relations during the year, with a belief that employees are the key to achieve its objectives and move on the growth path.



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	3
Total	8

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
28th May, 2016	08	08	100
13th August, 2016	08	07	87.5
14th November, 2016	08	08	100
9th February, 2017	08	08	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 18 of SEBI Regulations 2015 and other applicable provisions, the Audit Committee has been constituted by the Board.

The Audit Committee continued working under the 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.

The composition of the Audit Committee as at March 31, 2017 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			
		28/05/2016	13/08/2016	14/11/2016	09/02/2017
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 Director Finance	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 Listing Obligations and Disclosure Requirement (LODR). 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

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

The broad 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 as at March 31, 2017 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

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 performance evaluation criteria for every Director, KMP and Senior Management Personnel is determined by the Nomination and Remuneration committee 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 SEBI Listing Obligations and Disclosure Requirement, 2015 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 2015-16 are given below:

Name of the Director	Salary (In Lacs.)
Shri. Mukund Kakani	10.20
Shri. Kirti Kumar Jain	5.30
Shri. Mohit Jaju	5.30



Remuneration to Non - Executive Directors

The details of remuneration paid to the Non - Executive Directors during the financial year 2015-16 are given below:

Name of Director	Sitting Fees (In Lacs.)	Commission (In lacs)	Total (In Lacs)
Shri Syed Hussain	0.40	Nil	0.40
Shri Dilip Patel	0.40	Nil	0.40
Shri Ghanshyam Jaju	Nil	Nil	Nil
Shri Ramesh Telugu	0.30	Nil	0.30
Smt. Vimala Madon	0.40	Nil	0.40

(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

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

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 i.e. on 13 August, 2016 and 09 February, 2017. 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 are 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 2016 -17 is as under:

Sl. No.	Nature of Complaint/request	Received	Cleared
1	Change / Correction of Address	01	01
2	No. of transfers	05	05
3	Non receipt of shares /Others	01	01

Pursuant to Regulation 40 (9) of the Listing Obligations and Disclosure Requirement (LODR), 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, Shri Dilip Patel, Shri Ramesh Babu Telugu and Smt. Vimala Madon, met on 9th February, 2016 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

Postal Ballot

Your Company has not passed any resolutions through Postal Ballot during the year.

General Body Meetings

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

Year	Location	Date	Time
2015-2016	J. S. Krishnamurthy Hall, FTAPCCI Premises, Red Hills, Hyderabad	13th August, 2016	3.30 P.M.
2014-2015	J. S. Krishnamurthy Hall, FTAPCCI Premises, Red Hills, Hyderabad	13th August, 2015	3.30 P.M.
2013-2014	J. S. Krishnamurthy Hall, FAPCCI Premises, Red Hills, Hyderabad	14th August, 2014	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 Listing Obligations and Disclosure Requirement (LODR).

Your Company has complied with all the mandatory requirements of Listing Obligations and Disclosure Requirement (LODR). 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 12th September, 2017 at 3.30 PM at J.S.Krishnamurthy Hall, FTAPCCI Premises, Red Hills, Hyderabad(To be held)																																										
2.	Financial Calendar 2016-2017(Tentative)	First Quarter Results – By 15th Aug 2017 Second Quarter /Half year Results- By 15th November 2017 Third Quarter/Nine Months Results- By 15th February 2018																																										
3.	Dates of book closure	05.09.2017 to 12.09.2017																																										
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	<table border="1"> <thead> <tr> <th colspan="3">Bombay Stock Exchange Limited</th> </tr> <tr> <th></th> <th>High (Rs.)</th> <th>Low (Rs.)</th> </tr> </thead> <tbody> <tr> <td>April'16</td> <td>46.90</td> <td>38.15</td> </tr> <tr> <td>May'16</td> <td>44.95</td> <td>36.55</td> </tr> <tr> <td>June'16</td> <td>42.50</td> <td>37.20</td> </tr> <tr> <td>July'16</td> <td>44.20</td> <td>37.10</td> </tr> <tr> <td>August'16</td> <td>46.20</td> <td>38.00</td> </tr> <tr> <td>September'16</td> <td>52.00</td> <td>34.00</td> </tr> <tr> <td>October'16</td> <td>52.00</td> <td>42.00</td> </tr> <tr> <td>November'16</td> <td>54.90</td> <td>38.00</td> </tr> <tr> <td>December'16</td> <td>50.00</td> <td>40.00</td> </tr> <tr> <td>January'17</td> <td>47.50</td> <td>39.50</td> </tr> <tr> <td>February'17</td> <td>47.00</td> <td>38.20</td> </tr> <tr> <td>March'17</td> <td>40.75</td> <td>36.35</td> </tr> </tbody> </table>	Bombay Stock Exchange Limited				High (Rs.)	Low (Rs.)	April'16	46.90	38.15	May'16	44.95	36.55	June'16	42.50	37.20	July'16	44.20	37.10	August'16	46.20	38.00	September'16	52.00	34.00	October'16	52.00	42.00	November'16	54.90	38.00	December'16	50.00	40.00	January'17	47.50	39.50	February'17	47.00	38.20	March'17	40.75	36.35
Bombay Stock Exchange Limited																																												
	High (Rs.)	Low (Rs.)																																										
April'16	46.90	38.15																																										
May'16	44.95	36.55																																										
June'16	42.50	37.20																																										
July'16	44.20	37.10																																										
August'16	46.20	38.00																																										
September'16	52.00	34.00																																										
October'16	52.00	42.00																																										
November'16	54.90	38.00																																										
December'16	50.00	40.00																																										
January'17	47.50	39.50																																										
February'17	47.00	38.20																																										
March'17	40.75	36.35																																										
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 2017	Category	No. of Shares	%
	Promoter	3721204	49.42
	Financial Institution and Banks	37500	0.50
	Bodies Corporate	482844	6.41
	Indian Public	2988568	39.68
	NRI's / OCB's	300384	3.99
	TOTAL	7530500	100

11. Distribution of Shareholding as on 31st March 2017

Shareholding of Nominal value		No. of Holders	% of total Holders	Shares Amount	% of total Amount
From	To				
--	5000	3739	85.82	5567450	7.39
5001	10000	293	6.72	2463210	3.27
10001	20000	129	2.96	2009550	2.67
20001	30000	53	1.22	1327860	1.76
30001	40000	22	0.50	768080	1.02
40001	50000	19	0.44	899300	1.19
50001	100000	28	0.64	2109450	2.80
100001	75305000	74	1.70	60160100	79.89
		4357	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 & Compliance Officer
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

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, 2017.

Place: Secunderabad
Date: 30.05.2017

Mukund Kakani
(Managing Director)

CEO AND CFO CERTIFICATE UNDER REGULATION 17 OF THE LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT REGULATIONS, 2015

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 2016-17, 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 2016-17;
- b) There have been no significant changes in accounting policies during the year 2016-17.
- 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: 30.05.2017

Mukund Kakani
Managing Director &
Chief Executive Officer

Kirti Kumar Jain
Director &
Chief Financial Officer

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members
Godavari Drugs Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with Godavari Drugs Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We 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 : 30.05.2017



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, 2017, 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. 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, 2017 and its Profit and its Cash Flows for the year ended on that date.

Emphasis of Matter

Without qualifying our report we draw attention to:

Note No. 2.32 of the financial statements, which describes that the confirmation of balances of Trade receivables, Trade payables, sundry balances outstanding to the debit and credit of the parties are subject to reconciliation, review and adjustments thereof;

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, 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", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
10. 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
 - (g) 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 under contingent liability not provided for, the possible impact of pending litigations on its financial position in its financial statement – Refer Note No. 2.26 to the financial statements;
 - ii. the company has made provision, as required under the applicable law or Accounting Standards, for the material foreseeable losses, if any, on long term contracts. The company has entered into derivative contracts during the year and outstanding derivative contract at the end of the year is disclosed in the notes to account – Refer Note no. 2.41 to the financial statements;
 - iii. as represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the company.



- h) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 2.31 to the financial statements.

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

(Shantilal Daga)
M. No. 011617
Partner
Place: Hyderabad
Date: 30.05.2017

Annexure – A to the Auditors’ Report

Referred to in paragraph 9 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, 2017

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(c) The title deeds of immovable properties, as disclosed in Note 2.10 on fixed assets to the financial statements, are held in the name of the company.
2. (a) The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) On the basis of our examination of the inventory records, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with by the company.
3. 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. Thus, paragraph 3(iii) of the Order is not applicable.
4. The company has not granted any loan to directors or made investments, provided any guarantees and securities and paragraph 3(iv) of the Order are not applicable. As such, the non-compliance of Section 185 and 186 of the Companies Act, 2013 does not arise.
5. The Company has taken unsecured loans from relatives of Directors to avail the facility of working capital from bank and as such the company has to comply with the provisions of Sections 73 to 76 of Companies Act, 2013 and the rules and notifications framed there under to the extent notified.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of its products and are of the opinion that prima facie, the prescribed



accounts and records have been made and maintained. However, we have not carried out detailed examination of the records with a view to determine whether these are accurate or complete.

7. (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 generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable to it, with appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2017.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31st March, 2017 which has not been deposited on account of a dispute except as under:

Sl. No.	Name of the Statute	Nature of Dues	Amount (Rs. In Lakhs)	Claim Period	Forum where the dispute is pending	Amount Deposited (Rs. in Lakhs)
(i)	Central Excise Act, 1944	Excise Duty	16.30	2008-09 to 2013-14	Commissioner(A)-Nagpur	0.41
(ii)	Customs Act, 1962	Customs Duty	6.96	2000-01	CESTAT-Mumbai	2.50
(iii)	Central Excise Act, 1962	Service Tax	3.98	2014-15	Commissioner(A) Nagpur	0.14

8. According to the information and explanations given to us and records of the company examined by us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company its officers or employees, noticed or reported during the year, nor have we been informed by any such case by the management.
11. The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the company.
13. The company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

(Shantilal Daga)
M. No. 011617
Partner
Place: Hyderabad
Date: 30.05.2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Godavari Drugs Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Shantilal Daga)
M. No. 011617
Partner
Place: Hyderabad
Date: 30.05.2017

**BALANCE SHEET AS AT 31st March 2017****In Rupees**

	Note No.	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Equity And Liabilities			
Shareholders' funds			
Share Capital	2.1	75,305,000	75,305,000
Reserves and Surplus	2.2	86,889,608	68,797,470
Non-Current Liabilities			
Long term Borrowings	2.3	43,857,183	39,174,061
Deferred Tax Liabilities (Net)	2.4	12,043,485	8,095,696
Long term Provisions	2.5	3,911,810	3,347,970
Current Liabilities			
Short term Borrowings	2.6	113,334,748	115,587,284
Trade payables	2.7	200,596,756	173,567,132
Other current liabilities	2.8	20,158,383	21,326,597
Short-term provisions	2.9	905,556	244,885
TOTAL		557,002,529	505,446,094
Assets			
Non-Current assets			
Fixed Assets	2.10		
Tangible Assets		127,696,883	87,262,349
Capital work-in-progress		1,153,187	11,965,173
Non current Investments	2.11	1,000	1,000
Long Term Loans & Advances	2.12	1,866,798	2,247,370
Current Assets			
Inventories	2.13	113,241,532	107,448,797
Trade receivables	2.14	241,710,110	245,463,312
Cash & Bank Balances	2.15	8,827,876	6,503,706
Short term Loans & Advances	2.16	62,270,974	44,378,708
Other Current assets	2.17	234,169	175,680
TOTAL		557,002,529	505,446,094

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.011617

MUKUND KAKANI
Managing Director

KIRTI KUMAR JAIN
Director (Finance)

JEEVAN INNANI
Company Secretary

Place: Hyderabad
Date: 30.05.2017


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017
In Rupees

	Note No.	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
INCOME			
Revenue from Operations (Gross)	2.18	828,775,211	792,273,810
Less: Excise Duty		72,790,013	81,063,274
Revenue from Operations (Net)		755,985,198	711,210,536
Other Income	2.19	8,023,304	1,887,444
TOTAL REVENUE		764,008,502	713,097,980
EXPENDITURE			
Cost of Raw Materials Consumed	2.20	631,158,333	566,771,838
Cost of Traded Goods	2.21	1,372,680	2,715,810
Changes in Inventories of Finished Goods and Work -in-Process	2.22	(43,127,603)	17,279,114
Employee Benefit expenses	2.23	23,790,815	21,694,444
Finance costs	2.24	25,094,359	18,799,085
Depreciation/Amortisation		8,068,507	6,261,590
Other expenses	2.25	90,572,615	57,795,955
TOTAL EXPENSES		736,929,706	691,317,836
Profit / (Loss) before Tax		27,078,796	21,780,144
Provision for taxation			
Deferred tax		3,947,789	1,916,776
Corporate tax		5,539,818	6,352,622
MAT Entitlement credit		(500,949)	-
Profit /(Loss) after tax		18,092,138	13,510,746
EARNINGS PER EQUITY SHARE			
Basic and Diluted earning per share	2.27	2.40	1.79
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: 30.05.2017


CASH FLOW STATEMENT FOR THE YEAR 2016-17

Particulars	31.03.2017 Amount in Rs.	31.03.2016 Amount in Rs.
A. Cash Flow From Operating Activities:		
Net Profit/loss before prior period adjustments	18,092,138	13,510,746
Adjustment for depreciation	8,068,507	6,261,590
Dividend Received	(4,750)	-
Deferred Tax Liability	3,947,789	1,916,776
Provisions for Gratuity & Leave encashment	1,224,512	(2,628,029)
Operating Profit before working capital changes	31,328,196	19,061,083
Adjustment for		
Trade and other receivables	(13,816,981)	(117,226,734)
Inventories	(5,792,735)	(14,645,973)
Trade Payables	25,861,410	75,299,863
Cash Generated from Operations	(37,579,890)	(37,511,761)
Prior period adjustments		-
Capital work in progress		(7,783,836)
Net Cash Flow from Operating Activities (A)	37,579,890	(45,295,597)
B. Cash Flow From Investing Activities:		
Purchase Of Fixed Assets	(48,503,040)	(20,773,845)
Deferred revenue expenses	10,811,984	-
Net Cash Used In Investing Activities (B)	(37,691,056)	(20,773,845)
C. Cash Flow From Financing Activities:		
Proceeds from Long Term Borrowings	4,683,122	1,460,088
Short Term Borrowings	(2,252,536)	68,478,761
Dividend Received	4,750	
Net Cash flow from Financing Activities (C)	2,435,336	69,938,849
Net increase in cash and cash equivalents (A+B+C)	2,324,170	3,869,407
Cash and Cash equivalents at beginning of the year	6,503,706	2,634,299
Cash and Cash equivalents at end of the year	8,827,876	6,503,706

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: 30.05.2017

**Notes to Financial Statements for the year ended 31st March, 2017'****1. Significant Accounting Policies****1.1 Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention on accrual basis to comply in all material aspects and in accordance with Indian Generally Accepted Accounting Principles (GAAP), which comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies have been consistently applied by the Company unless otherwise stated.

1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

1.3 Revenue Recognition

- (i) The company recognises revenues on the sale of products, when the products are dispatched / delivered to the customer/dealer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the customer/ dealer.
- (ii) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- (iii) Revenue from services is recognized as per the terms of the contracts with the customers when the services are performed.
- (iv) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Dividend income is recognized when the company's right to receive dividend is established.
- (vi) Export entitlements under the duty remission scheme are recognized as income when the right to receive the credit as per the terms of the scheme is established in respect of the exports made.

1.4 Recognition of Expenditure

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities.

1.5 Fixed Assets

- (i) Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any.
- (ii) The cost of Fixed Asset comprises its purchase price, including non-refundable taxes & duties and directly attributable cost of bringing the asset (including leasehold improvements) to its working condition for its intended use.
- (iii) All costs, including borrowing costs till commencement of commercial production, attributable to fixed assets are capitalized.

1.6 Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful life of 10 years.



1.7 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

1.8 Capital Work-in-Progress

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

1.9 Depreciation

Depreciation on fixed assets is provided on straight line method except on furniture and fixtures, vehicle, office equipment and computers, on which it is provided on written down value method, at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.

1.10 Investments

Current investments are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

1.11 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

1.12 Inventories

Inventories are valued at the lower of cost and net realizable value. Obsolete, slow moving and defective inventories are identified at the time of physical verification and necessary provision is made for such inventories. The cost is determined using the weighted average cost method for all categories of inventories. Cost includes in case of Raw materials, Stores & spares and consumables the purchase price and attributable direct cost less discounts. In case of work-in-process and finished goods cost includes direct labour, material costs and production overheads.

1.13 Employee Benefits

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the statement profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

1.14 Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of transaction.



- (ii) Monetary assets & liabilities denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
- (iv) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations / renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

1.15 Leases

Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.16 Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to Statement of Profit & Loss.

1.17 Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.
- (ii) Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.
- (iii) Contingent Assets: Contingent Assets are neither recognized or disclosed in the financial statements.

1.18 Accounting for Taxes on Income

The Current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company on the computed total income for the year.

Deferred Tax assets and liabilities are recognized on timing differences between taxable income and accounting income, originating in one period and expected to reverse in subsequent periods.

The Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date.



Minimum alternative tax (MAT) under the provisions of Income Tax Act 1961 is recognized as current tax in the Statement of Profit and Loss.

The Credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability.

MAT credit recognized as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exist.

Notes on financial statements for the year ended 31st March 2017

Note No. 2

In Rupees

	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
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 31.03.2017		As at 31.03.2016	
	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

Note No.2.2

RESERVES AND SURPLUS

RESERVES

Capital Reserves:

Central Subsidy	1,000,000	1,000,000
Maharashtra State Special Capital Incentive	4,500,000	4,500,000
	5,500,000	5,500,000



General Reserve	0		
Add : Transferred from Investment Allowance Reserve	1,654,000	1,654,000	0
Securities premium Reserve		106,318,993	106,318,993
Investment Allowance Reserve	1,654,000		
Less : Transferred to General Reserve	-1,654,000	0	1,654,000
Surplus in statement of profit and loss			
As per last balance sheet		(44,675,523)	(58,186,269)
Add:(Loss)/Profit for the year		18,092,138	13,510,746
Net Surplus		(26,583,385)	(44,675,523)

TOTAL RESERVES & SURPLUS		86,889,608	68,797,470
-------------------------------------	--	-------------------	-------------------

Note No.2.3**Long term borrowings****Secured**

HDFC Bank Car Loan (against hypothecation of Vehicle)	892,160	1,285,971
---	---------	-----------

Unsecured

Loans from Directors	27,065,638	28,535,310
Loans from Related Parties	15,899,385	9,352,780

TOTAL	43,857,183	39,174,061
--------------	-------------------	-------------------

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**Deffered Tax Liabilities**

Deffered Tax Liabilities arising on account of

On Fiscal allowances on Fixed assets	13,641,496	9,463,713
--------------------------------------	------------	-----------

Deferred Tax Asset

On Employees benefits	(1,598,011)	(1,368,017)
-----------------------	-------------	-------------

Net Deferred Tax Liability/(Asset)	12,043,485	8,095,696
---	-------------------	------------------


Notes on Financial Statements for the Year ended 31st March, 2017
Note No.2.5
Long Term Provisions

Provision for Gratuity	3,580,816	3,092,599
Provision for Leave Encashment	330,994	255,371

TOTAL	3,911,810	3,347,970
--------------	------------------	------------------

Note No.2.6
Short Term Borrowings

From Bank-Cash Credit Facility	113,334,748	115,587,284
--------------------------------	-------------	-------------

(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	113,334,748	115,587,284
--------------	--------------------	--------------------

Note No.2.7
Trade Payables

Raw materials	156,400,772	148,275,988
Others	44,195,984	25,291,144

TOTAL	200,596,756	173,567,132
--------------	--------------------	--------------------

Note No.2.7A

Trade payable includes Rs.52,787,747/-towards Buyers Credit for raw materials	52,787,747	17,519,126
---	------------	------------

Note No.2.7B

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


Notes on Financial Statements for the Year ended 31st March, 2017

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.

Note No.2.8
Other Current liabilities

Current Maturity of leased finance	393,811	351,501
Interest accrued and due on Borrowings	3,978,902	4,453,574
Interest accrued but not due on Borrowings	1,352,584	1,352,014

Other Payables:

Sundry Creditors for Capital goods	3,591,426	3,990,309
Statutory Liabilities	1,132,336	1,438,376
Other Liabilities	9,709,324	9,740,823

TOTAL	20,158,383	21,326,597
--------------	-------------------	-------------------

Note No.2.9
Short term Provisions

Provision for Gratuity	347,126	225,135
Provision for Leave Encashment	32,482	19,750
Provision for Tax	5,682,501	
Less: Taxes Paid	5,156,553	525,948
		0

TOTAL	905,556	244,885
--------------	----------------	----------------



Notes on financial statements for the year ended 31st March, 2017
Note No.2.10

Name of the Asset	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK		
	As at 01.04.16	Additions during Year	Sales during Year	As at 31.03.17	Upto 01.04.16	for the Year	Transfer to Reserves	Up to 31.03.17	As at 31.03.17	As at 31.03.16
Tangible Assets										
Lease hold land	327,800	-	-	327,800	-	-	-	-	327,800	327,800
Factory/Building	34,718,908	7,741,799	-	42,460,707	14,990,518	1,106,803	-	16,097,321	26,363,386	19,728,390
Plant & Machinery	193,491,298	37,567,979	-	231,059,277	133,820,846	4,925,795	-	138,746,641	92,312,636	59,670,452
Elect.Installations	12,261,858	1,473,918	-	13,735,776	8,908,960	420,787	-	9,329,747	4,406,029	3,352,898
Laboratory/Equipts	1,215,639	94,500	-	1,310,139	1,125,958	24,792	-	1,150,750	159,389	89,681
Furniture & Fixture	870,148	112,180	-	982,328	613,142	70,711	-	683,853	298,475	257,006
Vehides	4,840,437	969,197	-	5,809,634	1,574,607	1,120,560	-	2,695,167	3,114,467	3,265,830
Office Equipment	843,496	175,436	-	1,018,932	569,117	89,869	-	658,986	359,946	274,379
Computers	2,237,736	368,031	-	2,605,767	1,941,822	309,190	-	2,251,012	354,755	295,914
Total	250,807,320	48,503,040	-	299,310,360	163,544,970	8,068,507	-	171,613,477	127,696,883	87,262,350
Previous Year	231,084,475	21,073,844	1,351,000	250,807,319	158,334,380	6,261,590	1,051,000	163,544,970	87,262,350	72,750,095


Notes on Financial Statements for the Year ended 31st March, 2017
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	721,150	535,575

Note No. 2.12
Long term Loans and Advances

Unsecured, Considered good:

Security Deposits	1,866,798	2,247,370
TOTAL	1,866,798	2,247,370

Note No.2.13
Inventories

Raw materials	40,456,611	76,935,045
Work-in-Process	33,269,699	10,163,443
Finished Goods	39,107,426	19,086,079
Stores and Spares	407,796	1,264,230
TOTAL	113,241,532	107,448,797

Note No. 2.13 A

Inventories includes materials lying with the third parties	3,777,800	24,287,383
---	-----------	------------

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	15,232,651	3,923,771
Others	226,477,459	241,539,541
TOTAL	241,710,110	245,463,312


Notes on Financial Statements for the Year ended 31st March, 2017
Note No.2.15
Cash and Bank Balances
Cash and Cash Equivalents

Balances with Bank	74,916	3,921,691
Cash on hand	77,960	337,015

Other Bank Balances

Deposits - Margin Money with maturity for more than 3 months but less than 12 months	8,675,000	2,245,000
---	-----------	-----------

TOTAL	8,827,876	6,503,706
--------------	------------------	------------------

Note No. 2.15A

Deposits with bank are 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	2,183,643	1,055,337
Advances to suppliers	8,488,010	5,158,764
Capital Advance to Suppliers	592,684	200,000
MAT Credit entitlement	8,947,482	8,446,534
Deposits with others	547,823	290,752
Cenvat credit receivable	40,695,329	27,702,034
Prepaid expenses	806,685	1,032,157
VAT receivables	9,319	437,998
Taxes paid (Net of Provisions)	0	55,132

TOTAL	62,270,974	44,378,708
--------------	-------------------	-------------------

Note No.2.17
Other current assets

Interest receivable - Others	234,169	175,680
------------------------------	---------	---------

TOTAL	234,169	175,680
--------------	----------------	----------------


Notes on Financial Statements for the Year ended 31st March, 2017
Note No. 2.18
Revenues from operations
Sale of products

Finished Goods	750,958,533	703,579,146
Traded Goods	1,624,000	3,026,985
	752,582,533	706,606,131
Contract Manufacturing	3,402,665	4,604,405
TOTAL	755,985,198	711,210,536

Note No. 2.19
Other Income

Interest income	504,437	530,321
Net Gain on foreign Exchange transactions	7,512,573	1,342,059
Misc Income	6,294	15,064
TOTAL	8,023,304	1,887,444

Note No. 2.20
Cost of raw materials consumed

Opening Stock	76,935,045	40,796,486
Add:Purchases	596,052,579	602,910,397
	672,987,624	643,706,883
Less :Closing Stock	40,456,611	76,935,045
TOTAL	632,531,013	566,771,838

Note No. 2.20A
Details of raw materials consumed

Chemicals	536,075,004	340,025,221
Others	96,456,009	226,746,617
TOTAL	632,531,013	566,771,838

Note No. 2.21
Details of purchase of traded goods

Raw Materials	1,372,680	2,715,810
TOTAL	1,372,680	2,715,810


Notes on Financial Statements for the Year ended 31st March, 2017
Note No. 2.22
Increase or Decrease in inventories

Inventories At The Beginning Of The Year

Finished goods	19,086,079	34,864,595
Work in process	10,163,443	11,664,041
	29,249,522	46,528,636
Inventories at the end of the year		
Finished Goods	39,107,426	19,086,079
Work in process	33,269,699	10,163,443
	72,377,125	29,249,522

(Increase)/Decrease In Inventories
(43,127,603)
17,279,114
Note No. 2.23
Employee Benefit expenses

Salaries, Wages and Other Benefits	20,753,607	19,739,574
Contribution to Provident and Other funds	1,509,154	1,354,473
Staff welfare Expenses	1,528,054	600,397

TOTAL
23,790,815
21,694,444
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.15.09 lakhs (Previous Year RS.13.54 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.

The assumptions and other disclosures relating to the Acturial Valuation of gratuity and leave encashment are as under-


Notes on Financial Statements for the Year ended 31st March, 2017

In Rupees

	Gratuity		Leave Encashment	
	As At 31.03.2017	As At 31.03.2016	As At 31.03.2017	As At 31.03.2016
a. Change in present value of obligation				
Present Value of Obligation at beginning of period	3317734	2988775	275120	244607
Interest Cost	245207	212387	17390	8747
Current Service Cost	194082	181295	139536	127773
Past Service Cost- (Vested Benefits)				
Benefits Paid	(61563)	(510701)	(84011)	(264067)
Actuarial (Gain)/Loss on Obligation	232482	445978	15441	158060
Present Value of Obligation at end of Period	3927942	3317734	363476	275120
b. Amounts to be recognised in the Balance Sheet and Statement of Profit & Loss				
Present value of obligation at end of period	3927942	3317734	363476	275120
Fail value of plan assets at end of period				
Funded Status	(3927942)	(3317734)	(363476)	(275120)
Unrecognised actuarial gain/(loss)				
Net Asset/(Liability) recognised in the Balance Sheet	(3927942)	(3317734)	(363476)	(275120)
c. Expenses recognised in the statement of Profit & Loss				
Current Service Cost	194082	181295	139536	127773
Interest Cost	245207	212387	17390	8747
Past Service Cost- (non vested benefits)				
Net Actuarial (Gain)/loss recognised for the period	232482	445978	15441	158060
Expenses recognised in the statement of Profit & Loss	671771	839660	172367	294580
d. Movement in the Liability recognised in Balance Sheet				
Opening Net Liability	3317734	2988775	275120	244607
Expenses as above	671771	839660	172367	294580
Contribution Paid	(61563)	(510701)	(84011)	(264067)
Closing Net Liability	3927942	3317734	363476	275120
Past Service Cost- (vested benefits)				
Expected Return on Plan Assets				


Notes on Financial Statements for the Year ended 31st March, 2017
Assumptions

Mortality IALM (2006-08)Ult	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	6.69%	7.46%	6.69%	7.46%
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	15.26	15.76	15.26	15.76
Maximum Limit for Gratuity (Rs. Lakhs)				

Note No. 2.24
Finance Costs
Interest expenses

- Bank	17,493,517	11,544,756
- Others	5,723,851	5,739,540
Other borrowing cost	1,876,991	969,000

TOTAL	25,094,359	18,253,296
--------------	-------------------	-------------------

Note No. 2.25
Other Expenses

Power & fuel	45,668,302	27,128,211
Consumption of Stores and spares	13,789,332	7,426,569
Rent	480,000	480,000

Repairs and maintenance:

- Plant and machinery	3,488,155	
- Building	550,420	
- Others	647,948	2,312,054
Insurance	656,190	561,234
Research & Development expenses	2,596,624	2,514,285
Rates & taxes	835,691	661,854
Travelling and conveyance	3,087,231	3,304,357
Freight outward	1,989,092	1,886,998
Loss on derivative contracts	330,786	219,428
Miscellaneous expenses	16,363,082	11,300,965
Interest on Taxes/ Duties paid	89,762	545,789

TOTAL	90,572,615	57,795,955
--------------	-------------------	-------------------


Notes on Financial Statements for the Year ended 31st March, 2017

	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Note. No. 2.26		
(a) CONTINGENT LIABILITIES :		
(i) On account of Bank Guarantee	500,000	500000
(ii) Buyers credit outstanding	52,787,747	17,519,126
(iii) Claims against the company/ disputed liabilities not acknowledged as debts:		
(a) In respect of Excise matters Demand raised for the year 2008-09.to 2013-14 (Oct-2013)- Appeal pending with Commissiner of Central Excise and Service Tax-Nagpur)	1,629,999	1629999
(b) In respect of Customs matter - Demand raised for the year 2000-2001.and Appeal pending with CESTAT Mumbai)	696,062	696062
The Company expects no liability in respect of above matters.		
(c) In respect of Service Tax on Director's Remuneration :- Demand raised for the period from 01.07.12 to 31.10.14 and Appeal pending with Asst. Commissioner of Central Excise,Customs and Service Tax Nagpur against Order No.19/ST/AcC/2015 dt. 27.11.2015	397,766	397,766
(d) Bonus Related: consequent to the amendment of The Payment of Bonus Act,1965 with retrospective effect from 01.04.2014 the differential bonus for the year 2014-15 has not been provided as the said amendment has been stayed by the High Court of Judicature at hyderabad for the State of Telagana and Andhra Pradesh.		
TOTAL	56,011,574	20,742,953
Note No. 2.27	2016-17	2015-16
(a) Capital Commitments: Estimated amount of contracts remaining to be essential on capital account not provided for	17,500,000	22,500,000
(b) Other Commitments There are No commitments other then Capital commitments.		


Notes on Financial Statements for the Year ended 31st March, 2017

	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Note No. 2.28	2016-17	2015-16
Earning Per Share		
Net Profit after tax attributable to equity shareholders	18,092,138	13510746.06
weighted average of number of Shares	7,530,500	7530500
Total Shares Outstanding	7,530,500	7530500
Basic and Diluted earnings per share	2.40	1.79
Face value per share	Rs.10/-	Rs.10/-
Note No. 2.29	2016-17	2015-16
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. 2.30	2016-17	2015-16
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

Note No. 2.31
Disclosure on Specified Bank Notes (SBNs)

During the year, the company had specified bank notes of other denomination note as defined in the MCA notification GSR 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the said notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on November 8, 2016	216,500	73,203	289,703
(+) permitted receipts	-	571,000	571,000
(-) permitted payments	76,500	544,769	621,269
(-) Amount deposited in banks	140,000	-	140,000
Closing cash in hand as on December 30, 2016	-	99,434	99,434



Notes on Financial Statements for the Year ended 31st March, 2017

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 there of 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, and Mr. Kirti Kumar Jain, Jeevan Inani

Names of Relatives of Key Management Personnel

Mr. Ghanshyam jaju, Mrs. Kamala Jaju, Ghanshyam Jaju HUF, Mrs. Sushma kakani, Mukund Kakani HUF, Mohith Jaju HUF And Mrs. Tanushree Kakani

In Rupees

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	1,020,000			1,020,000
	(410,000)			(410,000)
Kirtikumar Jain	530,000			530,000
	(180,000)			(180,000)
Mohit jaju	530,000			530,000
	(180,000)			(180,000)
Jeevan Innani	360,000			360,000
	(360,000)			
C. Interest				
Kamala Jaju		951,507		951,507
		(1,168,514)		(1,168,514)
Ghanshyam Jaju (HUF)		285,511		285,511
		(298,572)		(298,572)
Ghanshyam Jaju		1,319,096		1,319,096


Notes on Financial Statements for the Year ended 31st March, 2017

	(1,346,815)	(1,346,815)
Tanushree Kakani	232,809	232,809
	-	-
Mukund Kakani	1,177,562	1,177,562
	(1,242,665)	(1,242,665)
Mukund Kakani (HUF)	86,302	86,302
	-	-
Kirti Kumar Jain	330,000	330,000
	(360,073)	(360,073)
Mohit Jaju	1,131,475	1,131,475
	(1,322,901)	(1,322,901)
Mohit Jaju (HUF)	209,589	209,589
	-	-
D. Purchase Stores		
A.K.Paper Products Pvt. Ltd.		466,430 466,430
		(252,991) (252,991)
Sundry Creditors		-
Sushma Kakani	206,850	206,850
	(205,008)	(205,008)
Loans		-
Mohit Jaju	4,679,845	4,679,845
	(9,268,158)	(9,268,158)
Mukund Kakani	8,577,929	8,577,929
	(8,266,000)	(8,266,000)
Kirti Kumar Jain	2,874,152	2,874,152
	(2,356,152)	(2,356,152)
Mohit Jaju (HUF)	5,000,000	5,000,000
	-	-
Mukund Kakani (HUF)	2,000,000	2,000,000
	-	-
Ghanshyam Jaju	8,933,713	8,933,713
	(8,645,000)	(8,645,000)
Ghanshyam Jaju (HUF)	1,903,414	1,903,414
	(1,903,414)	(1,903,414)
Tanushree Kakani	5,500,000	5,500,000
	-	-
Kamala Jaju	3,495,971	3,495,971
	(7,449,366)	(7,449,366)


Notes on Financial Statements for the Year ended 31st March, 2017

Note No. 2.34	2016-17	2015-16
Miscellaneous expenses includes		
Payment to Statutory Auditors towards :		
Statutory Audit fees	100,000	100,000
Fee for audit under IT Act	25,000	25,000
Certification and other matters	65,000	40,000
TOTAL	190,000	165,000

Note No. 2.35
Particulars of sales, Closing and Opening Inventory

	In Rupees			
	Sales Value		Closing Inventory	Opening Inventory
	2016-17	2015-16	31.03.2017	31.03.2016
Manufacturing				
Bulk Drugs (Net of ED)	750,958,533	703,569,146	39,107,426	19,086,079
Contact Mfg.	3,402,665	4,604,405	-	-
Trading (Raw Materials)				
Raw Materials (Net of ED)	1,624,000	3,036,985	-	-
TOTAL	755,985,198	711,210,536	39,107,426	19,086,079

Note No. 2.36
Value of Raw material Consumed

	% of cons	2016-17	% of Cons	2015-16
Imported	63.19	398,854,580	63.09	353,240,545
Indigenous	36.81	232,303,753	36.91	206,658,877
		631,158,333		559,899,422

Note No. 2.37
Value of indigenous goods, Stores & Spares Consumed

	% of cons	2016-17	% of Cons	2015-16
Imported	-	-	-	-
Indigenous	100%	13,789,332	100%	7,426,569

Note No. 2.38

Value of Imports calculated on CIF basis in respect of :

Raw materials	376,625,495	298,107,078
---------------	-------------	-------------

**Note No. 2.39****Expenses in foreign currency**

Travel and conveyance	701,850	447,912
-----------------------	---------	---------

Note No. 2.40

Foreign currency exposure that are not hedged by derivative or forward contract as on 31st March 2017	127728657	91694925
---	-----------	----------

Note No.2.41**Derivative Instruments**

The details in respect of outstanding foreign exchange forward contracts:

Particulars	31.03.2017		31.03.2016	
	In Foreign Currency in Rs.			
Forward contracts outstanding				
In USD	100000	6628500	200000	13257000
The foreign exchange forward contracts mature within one month				

Note No. 2.42

Earning in Foreign Currency

Revenue from Export Sales FOB Basis	6,788,764	10,825,914
-------------------------------------	-----------	------------

Note No. 2.43

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: 30.05.2017



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, 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 29th Annual General Meeting / of the company, to be held on the 12th day of September 2017 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, 2017		
2.	Re-appointment of Mr. Mukund Kakani (DIN 00104646) as a Director of the Company		
3.	Appointment of M/s. Bhattacharjee & Paul, (FRN 303026E) Chartered Accountants as Statutory Auditors.		
4.	Special Business: Ratification of remuneration payable to M/s. Bharathula & Associates, appointed as Cost Auditors of the Company for FY 2017-18.		



- 5 Re-appointment of Mr.Mukund Kakani (DIN: 00104646) as the Managing Director of the Company for a period of five years.
- 6 Re-appointment of Mr. Kirti Kumar Jain (DIN:00076657) as the Executive Director of the Company for a period of five years.
- 7 Re-appointment of Mr. Mohit Jaju (DIN: 03405414) as the Executive Director of the Company for a period of five years.

Signed this ____ day of ____ 2017.

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, 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 29th Annual General Meeting of the Godavari Drugs Limited, at FTAPCCI, J.S. Krishnamurthy Hall, Red Hills, Hyderabad on Tuesday, 12th September, 2017.

(Member's /Proxy's Signature)

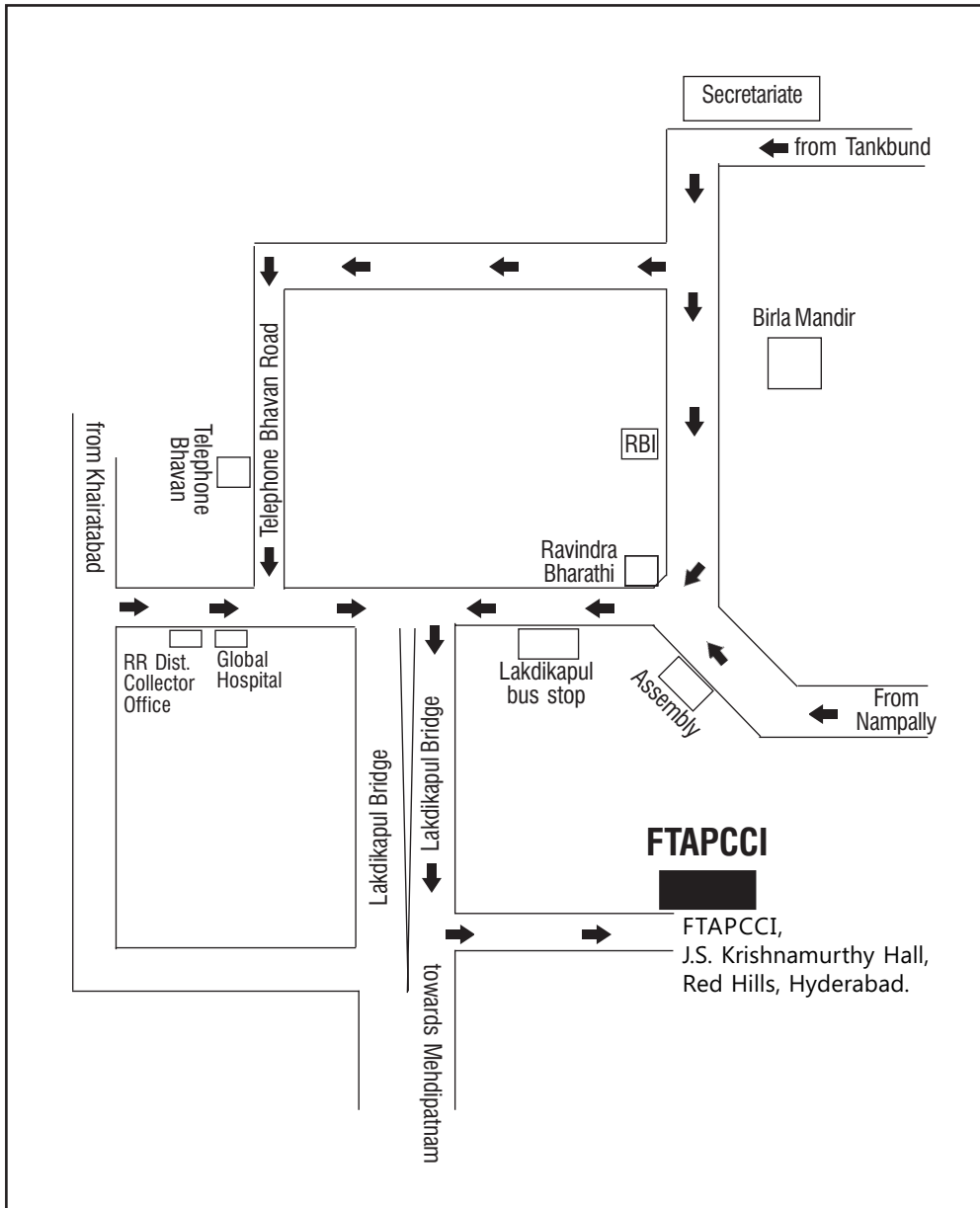
Note:

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





ROUTE MAP TO THE VENUE OF THE AGM



BOOK-POST

If undelivered please return to :

GODAVARI DRUGS LIMITED

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