

30th
Annual Report
2017-2018



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

14th August, 2018

at 3.30p.m.

at FTAPCCI

J. S. Krishnamurthy Hall

Red Hills, Hyderabad

Bankers :

Andhra Bank
State Bank of India
HDFC Bank

Auditors :

M/s. V. SRIDHAR & 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 30th Annual General Meeting of the Members of **M/s Godavari Drugs Limited** will be held at J.S. Krishna Murthy Hall, FTAPCCI Premises, 11-6-841, Red Hills, Hyderabad -500004 on 14th day of August, 2018 at 03.30 p.m. to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2018 including Audited Balance Sheet as at 31st March, 2018 and the Statement of the Profit & Loss for the year ended on that date and Cash Flow Statement and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.K.Jain who retires by rotation and being eligible, offers himself for reappointment.
3. Re-Appointment of Auditor to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section - 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule VI of the Act, as amended from time to time, M/s V. Sridhar & Co., Chartered Accountants, (Firm Registration No. 0062065), be and is hereby re-appointed (their appointment being ratified) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their re-appointment at every next Annual General Meeting), at such remuneration as may be mutually agreed upon between the Board of Directors and Statutory Auditors."

SPECIAL BUSINESS:

4. Ordinary Resolution for ratification of remuneration payable to M/s. Bharathula & Associates, appointed as Cost Auditors of the Company for FY 2018-19.

"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 2018-19, be paid a remuneration of Rs.20000 per annum plus applicable taxes 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."

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

Place: Secunderabad
Date: 30.05.2018

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
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 August 12, 2018, 3:30 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 07.08.2018 to 14.08.2018 (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 **7th August, 2018** 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, 11th August, 2018 and will end at 5.00 p.m. on, 13 August, 2018.** 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 SI.No. (ii) to SI.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 7th August, 2018.
- 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. 7th August, 2018, 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 30th AGM is annexed herewith the Report.

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

Place: Secunderabad
Date: 30.05.2018

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



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

Item No. 4

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on May 30, 2018, the Board has, considered and approved the appointment of M/s. Bharathula & Associates, Cost Accountants as the cost auditor for the financial year 2018-19 at a remuneration of Rs.20000 plus taxes applicable and reimbursement of out of pocket expenses.

The Board recommends this resolution for approval of the Members.

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

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

Place: Secunderabad
Date: 30.05.2018

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



DIRECTOR'S REPORT

**To,
The Members,**

Your directors have pleasure in presenting their 30th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

Financial Highlights

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

(in Rupees)

PARTICULARS	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from Operations	651247062	764008502
EBITDA	47172091	60241662
Less: Finance cost	24179800	25094359
Less: Depreciation	9853276	8068512
Profit before tax & exceptional items	13139015	27078791
Less: Exceptional items	-	-
Profit before tax	13139015	27078791
Less: Tax expenses	4845240	8986658
Profit After Tax	8293776	18092133
Transferred to general reserve	-	-
Proposed Dividend	-	-

Company Performance

Your Company has posted good financial results during the year under review irrespective of sluggish market conditions. Turnover of the Company stood 6512.47 lakhs and the Net profit was 82.93 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 2017-18, Six 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
8th April, 2017	08	08
30th May, 2017	08	08
8th September, 2017	08	08
12th September, 2017	08	08
10th November, 2017	08	08
13th February, 2018	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 K.K. Jain, 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

- Appeal Pending With CESTAT, Mumbai amounting Rs. 16,29,999/-
- Customs Matter and Appeal Pending with CESTAT, Mumbai amounting Rs. 6,96,062/-
- In respect of Service Tax and Appeal Pending with CESTAT, Mumbai Rs 3,97,766.
- In respect of Service Tax and Appeal Pending with Commissioner (Appeals), GST and Central Excise, Nashik. Rs 6,90,978.

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.

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, 5 meetings of the Committee were held on, May 30, 2017; September 08, 2017; September 12, 2017 November 10, 2017; February 13, 2018.

The composition of the Committee as on 31st March, 2018 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	5	100
Shri Syed Hussain	Independent Director	5	100
Shri K K Jain	Director Finance	5	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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 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 2017-18 (in Lakhs)	% increase in Remuneration in the Financial Year 2017-18	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	Nil	4.56:1
3	Kirti Kumar Jain Executive Director	6.00	Nil	2.68:1
4	Mohit Jaju Executive Director	6.00	Nil	2.68:1
5#	Syed Hussain Independent Director	0.60	Nil	0.26:1
6#	Dilip Patel Independent Director	0.60	Nil	0.26:1
7#	Ramesh Babu Telugu Independent Director	0.60	Nil	0.26:1
8#	Vimala Madon Independent Director	0.60	Nil	0.26:1
9	Jeevan Innani Company Secretary & Compliance Officer	3.60	Nil	1.61:1

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. 18617/- and the percentage increase in the median remuneration of employees in the financial year is 16.07%.

**Number of permanent employees on the rolls of company:**

Number of employees on the roll of the Company as on 31st March, 2018 was 98 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 2017-18 was 20.78%. Percentage increase in the managerial remuneration for the year was 15.30%.

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.

- (a) 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
- (b) 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
- (c) Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole-time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company:- NIL

Fraud Reporting

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

Statutory Auditors

Pursuant to the provisions of Section - 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule VI of the Act, as amended from time to time, M/s V. Sridhar & Co., Chartered Accountants, (Firm Registration No. 006206S), be and is hereby re-appointed (their appointment being ratified) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the (34TH) Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their re-appointment at every next Annual General Meeting), at such remuneration as may be mutually agreed upon between the Board of Directors and Statutory Auditors.

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

Management Discussion and Analysis Report

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

**Directors Responsibility Statement**

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

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2018, 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, 2018 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 : 30.05.2018

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, 2018**

**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	97.26%

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 01.04.2017]				No. of Shares held at the end of the year[As on 31.03.2018]				% 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	4066204	-	4066204	54	-



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	4066204	-	4066204	54	-
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)	-	37500	37500	0.50	-	37500	37500	0.50	(0.33)
2. Non-Institutions									
a) Bodies Corp.	412344	70500	482844	6.41	447094	45500	492594	6.54	0.13
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1077092	266753	1343845	17.85	1167816	259753	1427569	18.96	1.11
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1146656	480000	1626656	21.60	1081777	100000	1181777	15.69	(5.91)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	83184	217200	300384	3.99	78056	216400	294456	3.91	(0.08)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-



Clearing Members	18067	-	18067	0.24	30400	-	30400	0.4	0.16
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	2737343	1034453	3771796	50.09	2805143	621653	3426796	45.5	(4.59)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2733843	1075453	3809296	50.58	2805143	659153	3464296	46	(4.59)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6455047	1075453	7530500	100.0	6871347	659153	7530500	100.0	-

B) Shareholding of Promoters -

Sl.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year(As on 31.03.2018)			% 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	1053879	13.99	0.00	1.34
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	325000	4.32	0.00	1.35
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	160000	2.12	0.00	0.45
14	Naina Jain	22149	0.29	0.00	22149	0.29	0.00	-
15	Tanushree Kakani	50000	0.66	0.00	80000	1.06	0.00	0.40
16	Akshiet Kakani	207000	2.75	0.00	285000	3.78	0.00	1.03


C) Change in Promoters' Shareholding

Sl. No.	Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company	No. of shares	% of total shares of the company
01	Sushma Kakani (Buy)	952700 101179	12.65	1053879	13.99
02	Tanushree Kakani (Buy)	50000 30000	0.66	80000	1.06
03	Aksheit Kakani (Buy)	207000 78000	2.75	285000	3.78
04	Mohit Jaju (Buy)	223400 101600	2.97	325000	4.32
05	Priyanka Jaju (Buy)	125779 34221	1.67	160000	2.12

**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 01.04.2017		Shareholding at the end of the year as on 31.3.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HIGHCRESTT GLOBAL COMPANY LTD	200000	2.66%	200000	2.66%
2	AUTOFIN LIMITED	138800	1.84%	138800	1.84%
3	SWET REALTORS PVT. LTD.	100000	1.33%	100000	1.33%
4	VARUN JAIN	100000	1.33%	100000	1.33%
5	PAWAN KOTHARI	98198	1.30%	94710	1.26%
6	SANJAY JAJU	70575	0.94%	70575	0.94%
7	GAUTAM CHAND JAIN	67000	0.89%	67000	0.89%
8	V. GOPALAKRISHNAN	45924	0.61%	65346	0.87%
9	POOJA AGARWAL	-	-	50200	0.67%
10	BEENA SHARMA	47515	0.63%	47515	0.63%

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr No	Shareholder's Name	Shareholding		Increase/ (Decrease) in share holding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the company			No. of shares	% of total shares of the company
01	Kirti Kumar Jain (Director and CFO)	159700 159700	2.12 2.12	0	Nil movement during the year	159700	2.12
02	Ghanshyam Jaju (Director and Chairman)	343800 343800	4.57 4.57	0	Nil movement during the year	343800	4.57
03	Mukund Kakani (MD and KMP)	323100	4.29	0	Nil movement during the year	323100	4.29
04	Mohit Jaju(Director)	223400 101600	2.97 1.35	0	Buy	325000	4.32
05	Dilip Patel(Director)	00	00	0	Nil movement during the year	0	0
06	Syed Hussain(Director)	00	00	0	Nil movement during the year	0	0
07	Ramesh Babu Telugu (Director)	2500 2500	0.03	0	Nil movement during the year	0	0.03
08	Vimala Madon(Director)	00	00	0	Nil movement during the year	0	0
09	Jeevan Innani(KMP)	00	00	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	114226908	42965023	-	157191931
ii) Interest due but not paid	-	5331486	-	5331486
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	114226908	48296509	-	162523417
Change in Indebtedness during the financial year				
* Addition	21329179	1893711		23222890
* Reduction	-	-		-
Net Change	21329179	1893711		23222890
Indebtedness at the end of the financial year				
i) Principal Amount	135556087	45811865	-	181367952
ii) Interest due but not paid	-	4378355	-	4378355
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	135556087	50190220		185746307

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	600000	600000
	(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	600000	600000
	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	0.60	Nil	0.60
Shri Dilip Patel	0.60	Nil	0.60
Shri Ghanshyam Jaju	Nil	Nil	Nil
Shri Ramesh Telugu	0.60	Nil	0.60
Smt. Vimala Madon	0.60	Nil	0.60

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	6.00	3.60	9.60
	(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	5,45,689
Ghanshyam Jaju HUF	HUF		NA	3,83,586
Ghanshyam Jaju	Director		NA	17,00,445
Mukund Kakani	Managing Director		NA	13,06,357
Mukund Kakani(HUF)	HUF		NA	3,11,650
Kirti Kumar Jain	Director		NA	4,40,252
Mohit Jaju	Director		NA	7,41,450
Mohit Jaju (HUF)	HUF		NA	7,61,629
Tanushree Kakani	Relatives of KMP		NA	8,38,676

**Purchase of Stores:**

A.K.Paper Products Pvt. Ltd.	Associated Company	Ongoing	Based on Transfer Pricing Guidelines	2,71,956
Sundry Creditors:				
Sushma Kakani	Relatives of KMP	NA	NA	1,59,300
Loans:				
Mohit Jaju	Director	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	54,64,345
Mukund Kakani	Managing Director	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	94,33,656
Kirti Kumar Jain	Director	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	34,59,752
Ghanshyam Jaju	Director	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	89,33,713
Ghanshyam Jaju (HUF)	HUF	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	25,57,229
Kamala Jaju	Relative of Director	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	34,95,971
Mukund Kakani (HUF)	HUF	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	20,77,672
Mohit Jaju (HUF)	HUF	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	50,00,000
Tanushree Kakani	Relatives of KMP	Repayable after 31.03.2019	Carries interest rate of 15% p.a.	53,89,528

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 have being installed to reduce the steam and fuel consumption. The electrical power consumption is optimized by maintaining a power factor exceeding 0.98. Energy audit has been conducted and suggestions are being implemented for conservation.

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. We have successfully developed and started commercial production of Mefanamic acid.

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. 30,76,605/-
- c. Total 30,76,605/-
- d. Total R & D expenditure as a % of total turnovers: 0.47%

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	2017-18	2016-17
A. Power & Fuel Consumption			
1. Electricity			
a) Purchased Units	000KWH	2652	2472
Total Amount	Rs. In Lacs	165.48	191.97
Average cost	Rs. / KWH	6.23	7.36
2. Coal			
Quantity	Tons	Nil	Nil
Total Cost / Average Cost	Rs. In Lacs	Nil	Nil
3. Furnace Oil			
Quantity	K.L.	Nil	Nil
Total Cost / Average Cost	Rs. In Lacs	Nil	Nil
Agro / Ind. Waste Quantity	Tons	6211.78	6370.8
Total Cost	Rs. In Lacs	222.19	255.47
Average Cost	Rs./ per kg	3.57	4.01
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 1.37 Lakhs (Rs.86.44 lakhs)
Outgo	The foreign exchange outgo on account of purchase of raw material is USD 57.76 Lakhs (Rs.3765.90 lakhs)



ANNEXURE IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018.

[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
CIN: L24230TG1987PLC008016
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** (CIN: L24230TG1987PLC008016) (hereinafter called "**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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, 2018 ("Audit Period") has reasonably complied with the statutory provisions listed hereunder and also that the Company has adequate 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, 2018 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
 - (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. (To the extent notified).
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has reasonably 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.

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 other applicable laws, rules, regulations and guidelines.

Place: Hyderabad
Date: 30.05.2018

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



'ANNEXURE A'

To,
The Members,
Godavari Drugs Limited
CIN: L24230TG1987PLC008016
Secunderabad - 500003

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.

For VSS & Associates
Company Secretaries

Sd/-

Vidya Harkut
FCS No. : F 7086;
C P No.:7534

Place: Hyderabad
Date: 30.05.2018



ANNEXURE - V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

❖ Forward-Looking Statements

Certain statements in this annual report may constitute "forward-looking statements". These forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, our ability to obtain regulatory approvals, technological changes, cash flow projections, our exposure to market risks as well as other risks.

❖ Industry Structure and Developments

Rapid industrialization, urbanization, economic development, changing demographic profile and enhanced life expectancies is creating growth for pharmaceuticals and life science sectors.

The volumes of medicine used globally for is going up year on year and global spending on medicines is likely to reach \$ 1.4 trillion by 2020 driven by greater use of pricier branded drugs in developed markets and expanding reach of medicines into emerging market. Domestically, there is a huge focus on making medicines affordable and increase government spending on account of social responsibility towards all citizens.

❖ Opportunities and threats

The company is working towards exploiting the emerging market opportunities and driving its R & D and development initiatives in realising its aspirations.

- The company's position in the Quinolones segment with the reputation and acceptability as the best quality manufacturer for its products provides an edge and mitigates risk from competitors.
- The company has also added mefanamic acid in its product portfolio to increase its product Base.
- Rising healthcare awareness leading to an increase in spending on medicines is a driving factor for this pharmaceutical industry.
- Government's initiative towards making medical treatment facilities and medicines available to all as part of social responsibility towards its citizens is a huge propeller of growth in this segment.

With hosts of opportunities, the company is also exposed to internal and external risk. We aim to address these risks through appropriate risk management system.

The financial highlights are as under: -

(Rs. in Rupees)

Sales for the year 2017-2018	644477561
Profit after tax	8293776
Paid up equity share capital as on 31st Mar'2018	75305000
Finance costs	24179800
Depreciation / Amortisation	9853276
Employee Benefit Expenses	26676330



❖ **Risks and Outlook**

At GDL, we realize the need to better understand anticipate, evaluate and mitigate business issues in order to minimise its impact on business.

Our risk management programme is aligned with our business strategy, process, technology, people and governance.

The company's fundamental approach to risk management is

- Forward looking to identify and measure risks.
- In depth knowledge of the business, market and competitors.
- A structured risk management program to safeguard the organisation from various risks through adequate and timely action.
- To identify, assess, prioritise and manage existing as well as emerging risks in a cohesive manner.

Demographic trends will be a significant driver of global demand for pharmaceuticals in the next five years. Increase in diagnosis and treatment of chronic conditions and an aging population will drive pharmaceutical demand in developed markets. In emerging markets, population growth, coupled with improved access to healthcare and rising per capita income will drive demand

In the long term, we are targeting growing faster than the respective markets in which we are present. Your company is working activity on new products along with enhancing capacities of existing products.

❖ **Internal control systems**

Company believes that internal control is a necessary prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection and effective utilisation of resources and assets.

The management duly considers and takes appropriate action on recommendations made by the statutory auditors and the Audit committee of the Board of Directors.

❖ **Human Resources**

Human recourse development continues to remain a focus area for the Company. It has a structured process to identify recruit, train and retain young talent. Nurturing young talents to take on senior and responsible positions by mentoring and coaching them through various programmes has been our continuous effort.

Company believes that employees are the key to achieve its objectives and move on the growth path. There were cordial and harmonious industrial relations during the year.



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
8th April, 2017	08	08	100
30th May, 2017	08	08	100
8th September, 2017	08	08	100
12th September, 2017	08	08	100
10th November, 2017	08	08	100
13th February, 2018	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 five occasions.

The composition of the Audit Committee as at March 31, 2018 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				
		30/05/2017	08/09/2017	12/09/2017	10/11/2017	13/02/2018
Mr. Dilip Patel	Chairman Independent Director	Y	Y	Y	Y	Y
Mr. Syed Hussain	Member Independent Director	Y	Y	Y	Y	Y
Mr. Kirti Kumar Jain	Member Director Finance	Y	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 2017-18 are given below:

Name of the Director	Salary (In Lacs.)
Shri. Mukund Kakani	10.20
Shri. Kirti Kumar Jain	6.00
Shri. Mohit Jaju	6.00

Remuneration to Non - Executive Directors

The details of remuneration paid to the Non - Executive Directors during the financial year 2017-18 are given below:

Name of Director	Sitting Fees (In Lacs.)	Commission (In lacs)	Total (In Lacs)
Shri Syed Hussain	0.60	Nil	0.40
Shri Dilip Patel	0.60	Nil	0.40
Shri Ghanshyam Jaju	Nil	Nil	Nil
Shri Ramesh Telugu	0.60	Nil	0.30
Smt. Vimala Madon	0.60	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 12 September, 2017 and 13 February, 2018. The committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service. Given below and all of them have been resolved to date. There were no share transfers pending for registration for more than 30 days.

The status of shareholder's complaints/request during the financial year 2017 -18 is as under:

Sl. No.	Nature of Complaint/request	Received	Cleared
1	Change / Correction of Address	03	03
2	No. of transfers	07	07
3	Non receipt of shares /Others	02	02



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 13th February, 2018 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

Postal Ballot

Your Company has passed ONE resolutions through Postal Ballot during the year, which was for the appointment of Statutory Auditors to fill the vacancy.

General Body Meetings

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

Year	Location	Date	Time
2016-2017	J. S. Krishnamurthy Hall, FTAPCCI Premises, Red Hills, Hyderabad	12th September, 2017	3.30 P.M.
2015-2016	J. S. Krishnamurthy Hall, FTAPCCI Premises, Red Hills, Hyderabad	13th August, 2016	3.30 P.M.
2014-2015	J. S. Krishnamurthy Hall, FAPCCI Premises, Red Hills, Hyderabad	13th August, 2015	3.30 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 14th August, 2018 at 3.30 PM at J.S.Krishnamurthy Hall, FTAPCCI Premises, Red Hills, Hyderabad (To be held)		
2.	Financial Calendar 2018-2019(Tentative)	First Quarter Results - By 15th Aug 2018 Second Quarter /Half year Results - By 15th November 2018 Third Quarter/Nine Months Results- By 15th February 2018.		
3.	Dates of book closure	07.08.2018 to 14.08.2018		
4.	Listing on Stock Exchanges	Bombay Stock Exchange		
5.	Stock Code	530317 (BSE)		
6.	Demat ISIN No. For NSDL & CDSL	INE362C01012		
7.	Market Price Data	Bombay Stock Exchange Limited		
			High (Rs.)	Low (Rs.)
		April'17	43.50	37.40
		May'17	47.00	38.00
		June'17	47.90	38.30
		July'17	47.00	39.50
		August'17	41.95	33.10
		September'17	40.80	32.00
		October'17	44.90	33.00
		November'17	38.40	30.00
		December'17	44.40	34.45
		January'18	43.75	35.55
		February'18	39.90	32.25
March'18	36.00	31.00		



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 2018	Category	No. of Shares	%
	Promoter	4066204	54.00
	Financial Institution & Banks	37500	0.50
	Bodies Corporate	492594	6.41
	Indian Public	2639746	35.10
	NRI's / OCB's	294456	3.99
	TOTAL	7530500	100

11. Distribution of Shareholding as on 31st March 2018

Shareholding of Nominal value		No. of Holders	% of total Holders	Shares Amount	% of total Amount
From	To				
--	5000	3524	84.53	5283030	7.02
5001	10000	303	7.27	2606130	3.46
10001	20000	123	2.95	1949100	2.59
20001	30000	64	1.54	1597980	2.12
30001	40000	15	0.36	531780	0.71
40001	50000	22	0.53	1022110	1.36
50001	100000	42	1.01	3136280	4.16
100001	75305000	76	1.82	59178590	78.59
		4169	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, 2018.

Place: Secunderabad
Date: 30.05.2018

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 2017-18, 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 2017-18;
- b) 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: 30.05.2018

Mukund Kakani
Managing Director &
Chief Executive Officer

Kirti Kumar Jain
Director &
Chief Financial Officer



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Godavari Drugs Limited.

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 March 31, 2018, 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, 2018.
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 V.SRIDHAR & CO.,
Chartered Accountants
(FRN: 006206S)

Vemulapati Sridhar
Proprietor
Hyderabad. May 30, 2018.



INDEPENDENT AUDITOR'S REPORT

To the Members of Godavari Drugs Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Godavari Drugs Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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 of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, 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 the Rules made there under.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated 30th May, 2017 and 28th May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 6 to the financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For V.SRIDHAR & CO.,
Chartered Accountants
(FRN: 006206S)

Vemulapati Sridhar
Proprietor
Hyderabad. May 30, 2018.

ANNEXURE – A to the Auditors' Report

Referred to in paragraph 2 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, 2018, under the heading **Report on Other Legal and Regulatory Requirements**

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 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 March 31, 2018.
- (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 March 31, 2018 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	CESTAT-Mumbai	0.41
(ii)	Customs Act, 1962	Customs Duty	6.96	2000-01	CESTAT-Mumbai	2.50
(iii)	Central Excise Act, 1962	a) Service Tax b) Service Tax	3.98 6.90	2014-15 2015-16 to 2017-18	CESTAT-Mumbai Commissioner(A) Nashik	0.14 0.46

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.
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 by the relevant Accounting Standards.
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 V.SRIDHAR& CO.,
Chartered Accountants
(FRN: 006206S)

Vemulapati Sridhar
Proprietor
Hyderabad. May 30, 2018.

Reg: Godavari Drugs Limited. Year ended March 31, 2018.

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 2018 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, 2018, 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 V.SRIDHAR& CO.,
Chartered Accountants
(FRN: 006206S)

Vemulapati Sridhar
Proprietor
Hyderabad. May 30, 2018.



PART I - BALANCE SHEET
Godavari Drugs Limited
Balance Sheet As at March 31, 2018

Rupees

Particulars	Note No.	As at March 31,2018	As at March 31,2017	As at April 01, 2016
ASSETS				
1. Non - current assets				
a. Property, Plant and Equipment	2	14,55,62,777	12,76,96,878	8,72,62,349
b. Tangible Assets		-	-	-
c. Capital Work in Progress		96,55,313	11,53,187	1,19,65,173
d. Goodwill		-	-	-
e. Other Intangible assets		-	-	-
f. Intangible assets under development		-	-	-
g. Biological Assets other than bearer plants		-	-	-
h. Financial Assets				
(i) Investments	3	1,000	1,000	1,000
(ii) Trade Receivables		-	-	-
(iii) Loans	4	21,26,798	18,66,798	22,47,370
(iv) Others (to be specified)		-	-	-
i. Deferred tax assets (net)		-	-	-
j. Other non-current assets		-	-	-
2. Current assets				
(a) Inventories	5	13,46,87,274	11,32,41,532	10,74,48,797
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	6	26,77,73,689	24,17,10,110	24,54,63,312
(iii) Cash and cash equivalents	7	1,61,62,657	88,27,876	65,03,706
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	8	5,13,27,759	6,22,70,975	4,43,78,708
(vi) Others (to be specified)		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	9	2,59,884	2,34,169	1,75,680
Total Assets		62,75,57,151	55,70,02,525	50,54,46,095



Particulars	Note No.	As at March 31,2018	As at March 31,2017	As at April 01, 2016
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	10	7,53,05,000	7,53,05,000	7,53,05,000
(b) Other Equity	11	9,51,83,379	8,68,89,603	6,87,97,470
LIABILITIES				
1. Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	6,59,96,143	4,38,57,183	3,91,74,061
(ii) Trade payables		-	-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Provisions	13	48,06,143	39,11,810	33,47,970
(c) Deferred tax liabilities (Net)	14	1,42,09,831	1,20,43,485	80,95,696
(d) Other non-current liabilities		-	-	-
2. Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	11,53,71,809	11,33,34,748	11,55,87,284
(ii) Trade payables	16	23,02,09,532	20,05,96,756	17,35,67,132
(iii) Other financial liabilities (other than those specified in item (c))	17	2,64,75,314	2,05,37,992	2,13,26,597
(b) Other current liabilities		-	-	-
(c) Provisions		-	-	-
(d) Current Tax Liabilities (Net)	18	-	5,25,948	2,44,885
Total Equity and Liabilities		62,75,57,151	55,70,02,525	50,54,46,095

Significant Accounting policies and
other information

1

As per our report of even date

For V.Sridhar & Co.,
Chartered Accountants
FRN 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor

Mukund Kakani
Managing Director

Kirti Kumar Jain
Director Finance

Jeevan Innani
Company Secretary

ICAI Memb. No 202337
Hyderabad. May 30, 2018



PART II - STATEMENT OF PROFIT AND LOSS
Godavari Drugs Limited
Statement of Profit and Loss for the period ended March 31, 2018

In Rupees

Particulars	Note No.	For the period ended 31.03.2018	For the period ended 31.03.2017
I Revenue from operations	19	64,44,77,561	75,59,85,198
II Other income	20	67,69,501	80,23,304
III Total Income (I+II)		65,12,47,062	76,40,08,502
IV EXPENSES			
Cost of Material Consumed	21	48,18,03,583	63,25,31,013
Changes in inventories of finished goods and work-in-progress	22	1,09,04,588	-43,127,603
Employee benefits expense	23	2,66,76,330	2,37,90,815
Finance costs	24	2,41,79,800	2,50,94,359
Depreciation and amortization expense	2	98,53,276	80,68,512
Other expenses	25	8,46,90,470	9,05,72,615
Total Expenses (IV)		63,81,08,047	73,69,29,711
V Profit/(loss) before exceptional items and tax (III - IV)		1,31,39,015	2,70,78,791
VI Exceptional items		-	-
VII Profit/(loss) before tax (V - VI)		1,31,39,015	2,70,78,791
VIII Tax Expenses:			
1. Current Tax		26,78,894	50,38,869
2. Deferred Tax		21,66,346	39,47,789
IX Profit (Loss) for the period from continuing operations (VII-VIII)		82,93,776	1,80,92,133
X Profit/loss from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from discontinued operations (after tax)(X-XI)		-	-
XIII Profit /Loss for the period (IX + XII)		82,93,776	1,80,92,133
XIV Other Comprehensive Income			
A (i) items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-



Particulars	Note No.	For the period ended 31.03.2018	For the period ended 31.03.2017
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising profit/loss and other Comprehensive Income for the period)		82,93,776	1,80,92,133
XVI Earning per equity share (for continuing operation):			
(1) Basic		1.10	2.40
(2) Diluted		1.10	2.40
XVII Earning per equity share (for discontinued operation):			
(1) Basic		0.00	0.00
(2) Diluted		0.00	0.00
XVIII Earning per equity share (for discontinued & continuing operations)			
(1) Basic		0.00	0.00
(2) Diluted		0.00	0.00

Significant Accounting policies and other information

1

As per our report of even date

For V.Sridhar & Co.,
Chartered Accountants
FRN 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor

Mukund Kakani
Managing Director

Kirti Kumar Jain
Director Finance

Jeevan Innani
Company Secretary

ICAI Memb. No 202337
Hyderabad. May 30, 2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

Rupees in lakhs

Particulars	Current Period 31.03.2018	Previous Year 31.03.2017
A. Cash Flow from Operating Activities		
Profit before Depreciation, Interest and Tax	471.72	602.42
Less : Other Income considered separately	-67.70	-80.23
Net	404.02	522.19
(Increase) / Decrease in Inventories	-214.46	-57.93
(Increase) / Decrease in Receivables	-260.64	37.53
(Increase) / Decrease in Loans & Advances	109.43	-178.92
(Increase) / Decrease in Other Current Assets	-0.26	-0.58
Increase / (Decrease) in Current Liabilities	400.61	242.69
Income Tax Paid	-56.76	-50.39
Total A	381.94	514.59
B. Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets	-362.22	-376.91
(Increase)/Decrease in Non Current Assets		
(Increase)/Decrease in Current Investments		
Other Income	67.70	80.23
Total B	-294.52	-296.68
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Long Term Borrowings	221.39	46.83
Increase/(Decrease) in Long Term Provisions	8.94	5.63
Increase/(Decrease) in Long Term Advances	-2.60	3.81
Interest Paid	-241.80	-250.94
Total C	-14.07	-194.67
D. Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	73.35	23.24
Cash and cash equivalents at the beginning of the year	88.28	65.04
Cash and cash equivalents at the end of the Period	161.63	88.28
Increase/(-)Decrease	73.35	23.24

As per our report of even date

For V.Sridhar & Co.,
Chartered Accountants
FRN 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor

Mukund Kakani
Managing Director

Kirti Kumar Jain
Director Finance

Jeevan Innani
Company Secretary

ICAI Memb. No 202337
Hyderabad. May 30, 2018



GODAVARI DRUGS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

Sl.No.	Particulars	
I	Equity Share Capital	Rupees
	Balance as on 01.04.2016	7,53,05,000
	Changes During the year	--
	Balance as on 31.03.2017	7,53,05,000
	Changes During the year	--
	Balance as on 31.03.2018	7,53,05,000

II Other Equity

Rupees

Reserves and Surplus					
	Share Premium	Maharashtra Special Capital Incentive	Central Subsidy	General Reserve	Retained Earnings
1 Balance as on 01.04.2016	10,63,18,993	45,00,000	10,00,000	16,54,000	(44,675,523)
Adjustments	-		-	-	-
2 Balance as on 01.04.2017	10,63,18,993	45,00,000	10,00,000	1,654,000	(44,675,523)
Add: Profit for the year	-	-	-	-	1,80,92,133
3 Balance as on 01.04.2017	10,63,18,993	45,00,000	10,00,000	1,654,000	(26,583,390)
Add : Transfer from Profit & Loss					
Add: Profit for the year					82,93,776
4 Balance as on 31.03.2018	106,318,993	4,500,000	1,000,000	1,654,000	(18,289,614)



Notes to Ind AS Financial Statements for the year ended March 31, 2018.

Note 1: Significant Accounting Policies and other information

1. General Corporate Information.

The company is engaged in the business of manufacture of Active Pharmaceutical Ingredients (API) and its intermediates.

2. First Time Adoption of Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the 'first Ind AS financial statements' for the year ended March 31, 2018 be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions (as applicable to the company) in accordance with Ind AS 101, to the extent that the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3. Significant Accounting Policies

3.1 Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015. Upto the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Section 133 of the Companies Act, 2013. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

3.2 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual basis

3.3 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.

3.4 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) 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.

3.5 Recognition of Expenditure

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

3.6 Property Plant & Equipment

- (i) Property Plant & Equipment are stated at cost less accumulated depreciation and impairment loss, if any.
- (ii) Cost for this purpose 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.

3.7 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.

3.8 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.

3.9 Depreciation

Depreciation on property, plant & equipment is generally 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.

3.10 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.

3.11 Research and Development

- (i) Equipment purchased for research and development is capitalised when commissioned and included in the gross block of property, plant and equipment
- (ii) Research and Development expenditure incurred, if any, are charged to Profit & Loss account of the year under relevant head of Account.

3.12 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.

3.13 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.

3.14 Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of transaction.
- (ii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
- (iii) 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.

3.15 Leases

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

3.16 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.

3.17 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 not recognized in the financial statements.

3.18 Accounting for Taxes on Income

Income Tax – current and deferred – are accounted in accordance with Ind AS – 12, ‘Income Taxes’

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



	CY	PY
Principal amount due and remaining unpaid	NIL	NIL
Interest due on above and the unpaid interest	NIL	NIL
Interest paid / payable	NIL	NIL

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.

5. Employee Benefits

Employee Benefit:

The requisite disclosures pertaining to Employees Benefits are as under;

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 disabilities 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 Actuarial Valuation of gratuity and leave encashment are as under-

In Rupees

Sl.No. Particulars	Gratuity		Leave Encashment	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
a. Change in present value of obligation				
Present Value of Obligation at beginning of period	3927942	3317734	363476	275120
Interest Cost	259843	245207	21967	17390
Current Service Cost	226356	194082	235618	139536
Past Service Cost- (Vested Benefits)				
Benefits Paid	(87782)	(61563)	(70250)	(84011)
Actuarial (Gain)/Loss on Obligation	262468	232482	(99958)	15441
Present Value of Obligation at end of Period	4588827	3927942	451053	363476
b. Amounts to be recognised in the Balance Sheet and Statement of Profit & Loss				
Present value of obligation at end of period	4588827	3927942	451053	363476
Fail value of plan assets at end of period				
Funded Status	(4588827)	(3927942)	(451053)	(363476)
Unrecognised actuarial gain/(loss)				
Net Asset/(Liability) recognised in the Balance Sheet	(4588827)	(3927942)	(451053)	(363476)



c. Expenses recognised in the statement of Profit & Loss

Current Service Cost	226356	194082	235618	139536
Interest Cost	259843	245207	21967	17390
Past Service Cost- (non vested benefits)				
Net Acturial (Gain)/loss recognised for the period	262468	232482	(99758)	15441
Expenses recognised in the statement of Profit& Loss	748667	671771	157827	172367

d. Movement in the Liability recognised in Balance Sheet

Opening Net Liability	3927942	3317734	363476	275120
Expenses as above	748667	671771	157827	172367
Contribution Paid	(87782)	(61563)	(70250)	(84011)
Closing Net Liability	4588827	3927942	451053	363476
Past Service Cost- (vested benefits)	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Assumptions				
Mortality LIC	IALM Ult (2006-08)	IALM Ult (2006-08)	LIC (1994-96)	LIC (1994-96)
Discount Rate	7.68%	6.69%	7.68%	6.69%
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	14.72	15.26	14.72	15.26

6. CONTINGENT LIABILITIES:

Sl.No.	Particulars	31.03.2018	31.03.2017
1.	On account of Bank Guarantee	9,00,000	5,00,000
2.	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 CESTAT, Mumbai)	16,29,999	16,29,999
(b)	In respect of Customs matter -Demand raised for the year 2000-2001.and Appeal pendingwith CESTAT Mumbai)	6,96,062	6,96,062
	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 withCESTAT, MUMBAI,	3,97,766	3,97,766
(d)	Demand raised for the period from 01.11.14 to 30.06.17 and Appeal pending with the First Appellate Authority, Nashik	6,90,978	—



- (e) 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 Telangana and Andhra Pradesh.

Total	43,14,805	32,23,827
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7. RELATED PARTY TRANSACTIONS

Sl.No.	Particulars	31.03.2018	31.03.2017
A.	Names of the Associated Companies Godavari Capital Private Limited, Godavari Homes Private Limited, A.K. Paper Products Private Limited.		
B.	Associated Firms – Nil		
C.	Key Managerial Personnel Mr. Mukund Kakani, Mr. Mohit Jaju, and Mr. Kirti Kumar Jain, Jeevan Innani		
D.	Names of Relatives of Key Management Personnel Mr. Ghanshyam Jaju, Mrs. Kamala Jaju, Ghanshyam Jaju HUF, Mrs. Sushma Kakani, Mukund Kakani HUF, Mohit Jaju HUF And Mrs. Tanushree Kakani		
E.	Transactions – [Value of the Transaction and (Balance Due)]		
1.	Rent		
a.	Sushma Kakani	180,000	180,000
b.	Mohit Jaju	3,00,000	3,00,000
2.	Remuneration		
a.	Mukund Kakani	1,020,000	1,020,000
b.	Kirtikumar Jain	6,00,000	530,000
c.	Mohit jaju	6,00,000	530,000
d.	Jeevan Innani	360,000	360,000
3.	Interest**		
a.	Kamala Jaju	545,689	951,507
b.	Ghanshyam Jaju (HUF)	3,83,586	285,511
c.	Ghanshyam Jaju	17,00,445	1,319,096
d.	Tanushree Kakani	8,38,676	232,809
e.	Mukund Kakani	13,06,357	1,177,562
f.	Mukund Kakani (HUF)	3,11,650	86,302
g.	Kirti Kumar Jain	4,40,252	330,000
h.	Mohit Jaju	7,41,450	1,131,475
i.	Mohit Jaju (HUF)	7,61,629	209,589

The amount of interest due as on 01.04.2017 has been transferred to Unsecured Loans.



4.	Purchase Stores A.K.Paper Products Pvt. Ltd.	2,71,956	466,430
5.	Sundry Creditors - Sushma Kakani	1,59,300	206,850
6.	Loans -		
a.	Mohit Jaju	54,64,345	46,79,845
b.	Mukund Kakani	94,33,656	85,77,929
c.	Kirti Kumar Jain	34,59,752	28,74,152
d.	Mohit Jaju (HUF)	50,00,000	50,00,000
e.	Mukund Kakani (HUF)	20,77,672	20,00,000
f.	Ghanshyam Jaju	89,33,713	89,33,713
g.	Ghanshyam Jaju (HUF)	25,57,229	19,03,414
h.	Tanushree Kakani	53,89,528	55,00,000
i.	Kamala Jaju	34,95,971	34,95,971

8. Particulars of Sales, Closing and Opening Inventory Rupees

	Sales Value		Closing Inventory	Opening Inventory
	2017-18	2016-17	31.03.2018	31.03.2017
Manufacturing Bulk Drugs (Net)	64,06,67,521	75,09,58,533	3,13,40,615	3,91,07,426
Contract Manufacturing	33,34,700	34,02,665		
Trading Raw Materials	4,75,340	16,24,000		
	64,44,77,561	75,59,85,198	3,13,40,615	3,91,07,426

9. Value of Raw Materials, Stores & Spares Consumed

	% Cons	2017-18	% Cons	2016-17
Value of Raw Materials				
Imported	76.62	36,91,75,780	63.19	39,88,54,580
Indigenous	23.38	11,26,27,803	36.81	23,23,03,753
Total		48,18,03,583		63,11,58,333
Stores and Spares				
Imported	-	-	-	-
Indigenous	100	86,28,714	100	1,37,89,332

10. Value of Imports calculated on CIF basis in respect of Raw Materials: Rs.37,65,90,163 (Previous Year (Rs.37,66,25,495))
11. Expenses in Foreign Exchange – Towards Travelling: Rs.13,94,603 (Previous Year- Rs.7,01,850)
12. Foreign Currency exposure that are not hedged by derivative or forward contract as on the last day of the year: Rs.17,81,91,738 (31.03.2018) Rs.12,77,28,657 (31.03.2017)
13. Earnings in Foreign Exchange: Exports on FOB basis: Rs.86,44,384. (Previous Year – Rs.67,88,764)



Rupees

Note 2 : Property, plant and equipment

Particulars	Lease hold land	Factory Buildings	Plant & Machinery	Electric installations	Laboratory equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Year ended 31 March 2017										
Gross carrying amount										
Deemed cost as at 1 April 2016	3,27,800	3,47,18,908	19,34,91,298	1,22,61,858	12,15,639	8,70,148	48,40,437	8,43,496	22,37,736	25,08,07,320
Additions		77,41,799	37,567,979	1,473,918	94,500	1,12,180	9,69,197	1,75,436	3,68,031	4,85,03,040
Disposals										0
Closing gross carrying amount 31.03.2017	3,27,800	4,24,60,707	23,10,59,277	1,37,35,776	13,10,139	9,82,328	58,09,634	10,18,932	26,05,767	29,93,10,360
Accumulated depreciation										
As on April 01, 2016		1,49,90,518	13,38,20,846	89,08,960	11,25,958	6,13,142	15,74,607	5,69,117	19,41,822	16,35,44,970
Depreciation charge during the year		11,06,803	49,25,795	4,20,787	24,792	70,711	11,20,560	89,869	3,09,195	80,68,512
Disposals										0
Closing accumulated depreciation 31.03.2017	-	1,60,97,321	13,87,46,641	93,29,747	11,50,750	6,83,853	26,95,167	6,58,986	22,51,017	17,16,13,482
Net carrying amount 31.03.2017	3,27,800	2,63,63,386	9,23,12,636	44,06,029	1,59,389	2,98,475	31,14,467	3,59,946	3,54,750	12,76,96,878
Year ended 31 March 2018										
Gross carrying amount										
As on April 01, 2017	3,27,800	4,24,60,707	23,10,59,277	1,37,35,776	13,10,139	9,82,328	58,09,634	10,18,932	26,05,767	29,93,10,360
Additions		15,69,739	24,549,158	1,545,657	22,134	21,187			11,300	2,77,19,175
Disposals										0
Closing gross carrying amount 31.03.2018	3,27,800	4,40,30,446	25,56,08,435	1,52,81,433	13,32,273	10,03,515	58,09,634	10,18,932	26,17,067	32,70,29,535
Accumulated depreciation										
As on April 01, 2017	-	1,60,97,321	13,87,46,641	93,29,747	11,50,750	6,83,853	26,95,167	6,58,986	22,51,017	17,16,13,482
Depreciation charge during the year	-	12,84,461	65,20,990	5,99,154	21,974	75,910	10,03,176	1,23,472	2,24,139	98,53,276
Disposals	-									
Closing accumulated depreciation 31.03.2018	-	1,73,81,782	14,52,67,631	99,28,901	11,72,724	7,59,763	36,98,343	7,82,458	24,75,156	18,14,66,758
Net carrying amount 31.03.2018	3,27,800	2,66,48,664	11,03,40,804	53,52,532	1,59,549	2,43,752	21,11,291	2,36,474	1,41,911	14,55,62,777



Notes forming part of the Financial Statements

Rupees

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Note 3: Investments			
Long Term Quoted			
500 HDFC Shares @ Rs.2 per share Face Value (Market value is Rs.721150/-)	1,000	1,000	1,000
Total	1,000	1,000	1,000
Note 4 : Loans			
(Unsecured, considered good)			
Security Deposits	21,26,798	18,66,798	22,47,370
Total	21,26,798	18,66,798	22,47,370
Note 5 : Inventories			
(As verified, valued and certified by the Management)			
Raw Material	7,28,47,964	4,04,56,611	7,69,35,045
Work-in-Process	3,01,31,922	3,32,69,699	1,01,63,443
Finished Goods	3,13,40,615	3,91,07,426	1,90,86,079
Other Stock	3,66,773	4,07,796	12,64,230
Total (A)	13,46,87,274	11,32,41,532	10,74,48,797
Note 6: Trade Receivables	26,77,73,689	24,17,10,110	24,54,63,312
(Unsecured and considered good)			
Total (A)	26,77,73,689	24,17,10,110	24,54,63,312
Note 7: Cash and cash equivalents			
Cash in hand	2,61,069	77,960	3,37,015
In Current Accounts	83,088	74,916	39,21,691
In Margin money deposits (With maturity more than 3 months but less than 12 months)	1,58,18,500	86,75,000	22,45,000
Total (A)	1,61,62,657	88,27,876	65,03,706
Note 8 :Loans			
Loans and advances to employees	35,09,052	21,83,643	10,55,337
Advances to suppliers	1,01,78,385	84,88,010	51,58,764
Capital Advance to Suppliers	8,01,868	5,92,684	2,00,000
MAT credit entitlement	92,22,703	89,47,482	84,46,534
Deposit with others	5,44,768	5,47,823	2,90,752
GST Credit	25581735	4,06,95,329	2,77,02,034
Prepaid expenses	9,33,474	8,06,685	10,32,157
Vat input	2,16,678	9,319	4,37,998
Taxes Paid	339096	0	55,132
Total	5,13,27,759	6,22,70,975	4,43,78,708



Rupees

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Note 9: Other current Assets			
Interest receivables - Others	2,59,884	2,34,169	1,75,680
Total	2,59,884	2,34,169	1,75,680

Note 10 : Equity share capital

a. Authorised

1,00,00,000 Equity Shares of Rs. 10/- each.	10,00,00,000	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000	10,00,00,000

b. Issued, subscribed & paid up

75,30,500 Equity Shares of Rs. 10/- each fully paid up	7,53,05,000	7,53,05,000	7,53,05,000
	7,53,05,000	7,53,05,000	7,53,05,000

c. Par value of shares 10/- 10/- 10/-

d. Number of shares outstanding at

begining of the year 75,30,500 75,30,500 75,30,500

Changes during the year - - -

Number of shares outstanding

at end of the year 75,30,500 75,30,500 75,30,500

e. Restriction on disbursement of Dividend

No restrictio on dividend

f. Particulars of each shareholder holding more than 5% of share capital

Sl. No.	Name of the Shareholder	31.03.2018		31.03.2017		01.04.2016	
		No of shares	% No of shares	No of shares	% No of shares	No of shares	%
1.	Kamala Jaju	9,02,676	11.99	9,02,676	11.99	9,02,676	11.99
2.	Sushma Kakani	9,52,700	12.62	9,52,700	12.62	9,52,700	12.62

h. The company has only one class of shares i.e. Equity Shares.**Note 11: Other Equity**

a) Share Premium Account	10,63,18,993	10,63,18,993	10,63,18,993
b) Maharashtra State Special Capital Incentive	45,00,000	45,00,000	45,00,000
c) Central Subsidy	10,00,000	10,00,000	10,00,000
d)General reserve	16,54,000	16,54,000	16,54,000
e)Debit blance in Profit & Loss	(18,289,614)	(26,583,390)	(44,675,523)
Total other Equity (a+b+c+d+e)	9,51,83,379	8,68,89,603	6,87,97,470



Rupees

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Note 12 : Borrowings			
Secured			
Term loans			
HDFC Car Loan (against hypothecation of vehicle)	4,50,946	8,92,160	12,85,971
Andhra Bank term loan	1,97,33,332		
Unsecured			
a) From Directors	2,72,91,465	2,70,65,638	2,85,35,310
b) Related Parties	1,85,20,400	15,899,385	9,352,780
(Loans from Directors & Related Parties are repayable after 12 months and carries interest rate of 15% p.a Repayment of Unsecured loans are sub-ordinated to Bank borrowings)			
Total	6,59,96,143	4,38,57,183	3,91,74,061
Note 13 : Provisions			
Provision for gratuity	39,84,978	35,80,816	30,92,599
Provision for leave encashment	4,00,079	3,30,994	2,55,371
Provision for employee adjustment	4,21,086		
Total	48,06,143	39,11,810	33,47,970
Note 14 : Deffered Tax Liabilities / Assets			
Beginning of the year	1,20,43,485	80,95,696	61,78,919
Add : Deffered tax liability/aset arising on account of fiscal allowance on fixed assets	25,17,210	55,45,800	32,84,794
Add : Deffered tax liability/aset arising on account of employees benfits	(350,864)	(1,598,011)	(1,368,017)
Net Deffered Tax Liability as on 31/03/2018	1,42,09,831	1,20,43,485	80,95,696
Note 15: Borrowings			
Cash credit facility - Andhra Bank	11,53,71,809	11,33,34,748	11,55,87,284
(Cash credit loan from Andhra bank, Hyderabad secured by hypothecation of first charge on inventory, trade receivables, movable assets, immovable assets and guaranteed by directors other than independent directors. Cash credit limit carries interest rate of 1 year MCLR rate+3.55%)			
Total	11,53,71,809	11,33,34,748	11,55,87,284



Rupees

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Note 16 : Trade payables			
Raw materials	20,06,21,878	15,64,00,772	14,82,75,988
Others	2,95,87,654	4,41,95,984	2,52,91,144
Total	23,02,09,532	20,05,96,756	17,35,67,132
Note 17: Other financial liabilities			
Short term loan Provision	98,66,668	0	0
Current maturity of lease finance	4,41,213	3,93,811	3,51,501
Interest accrued and due on borrowings	27,72,419	39,78,902	44,53,574
Interest accrued but not due on borrowings	16,05,936	13,52,584	13,52,014
Sundry creditors for capital goods	53,77,025	35,91,427	39,90,309
Statutory liabilities	6,29,963	11,32,336	14,38,376
Provision for gratuity	6,03,849	3,47,126	2,25,135
Provision for leave encashment	50,974	32,482	19,750
Other liabilities	51,27,267	97,09,324	97,40,823
Total (A)	2,64,75,314	2,05,37,992	2,15,71,482
Note 18 : Current Tax Liabilities (Net)			
Provision for Tax	0	5,25,948	0
Total (A)	0	5,25,948	0



Notes forming part of the Financial Statements

Rupees

Particulars	For the Period ended March 31, 2018	For the Period ended March 31, 2017
Note 19 : Revenue From Operations		
Sale of finished goods	64,06,67,521	82,37,48,546
Less : Excise duty	-	7,27,90,013
	64,06,67,521	75,09,58,533
Sale of traded goods	475,340	16,24,000
Contract manufacturing	33,34,700	34,02,665
Total	64,44,77,561	75,59,85,198
Note 20 : Other Income		
Interest income	8,45,793	5,04,437
Net gain on foreign exchange transactions Misc, Income	31,04,033	75,12,573
Misc. Income	5,500	6,294
Others Income	28,14,175	-
Total	67,69,501	80,23,304
Note 21 : Cost of material consumed		
Opening Stock	4,04,56,611	7,69,35,045
Add: Purchases	51,41,94,936	59,60,52,579
	55,46,51,547	67,29,87,624
Less : Closing stock	7,28,47,964	4,04,56,611
Total	48,18,03,583	63,25,31,013
Note 22 : Changes in Inventories of Finished Goods & Work in Process		
(a) Opening Stock		
Finished Goods	3,91,07,426	1,90,86,079
Work-in -process	3,32,69,699	1,01,63,443
Sub- Total (a)	7,23,77,125	2,92,49,522
(b) Closing Stock		
Finished Goods	3,13,40,615	3,91,07,426
Work-in -process	3,01,31,922	3,32,69,699
Sub- Total (b)	6,14,72,537	7,23,77,125
Difference of (a) and (b) Increase (-) / Decrease(+)	1,09,04,588	(43,127,603)
Note 23 : Employee benefits		
Salaries,Wages and other allowances	2,33,94,847	2,07,53,607
Contribution to Provident Fund and other Funds	15,72,116	15,09,154
Staff Welfare Expenses	12,88,281	15,28,054
Loan & Advances adjustment	4,21,086	-
Total	2,66,76,330	2,37,90,815



Rupees

Particulars	For the Period ended March 31, 2018	For the Period ended March 31, 2017
Note 24 : Finance Cost		
Banks	1,42,90,900	1,74,93,517
Others	81,84,785	57,23,851
Other borrowing cost	17,04,116	18,76,991
Total	2,41,79,800	2,50,94,359
Note 25 : Other Expenses		
Power & fuel	3,97,95,400	4,56,68,302
Consumption of stores and spares	86,28,714	1,37,89,332
Rent	4,80,000	4,80,000
Repairs & Maintainance		
Plant & Machinery	11,57,486	34,88,155
Building	2,04,200	5,50,420
Others	9,73,131	6,47,948
Insurance	7,17,291	6,56,190
Research & development expenses	30,76,605	25,96,624
Rates & taxes	4,36,660	8,35,691
Travelling and conveyance	35,41,487	30,87,231
Freight outward	15,35,406	19,89,092
Loss on deriavative contracts	-	3,30,786
Misc. expenses	2,39,25,289	1,63,63,082
Interest on duties and taxes paid	2,18,800	89,762
Total	8,46,90,470	9,05,72,615



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 30th Annual General Meeting / of the company, to be held on the 14th day of August 2018 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, 2018		
2.	Re-appointment of Mr. K. K. Jain (DIN 00076657) as a Director of the Company		
3.	Re -appointment of M/s. V. Sridhar & Co., (FRN 006206S) 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 2018-19.		



Signed this ____ day of ____ 2018.

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 30th Annual General Meeting of the Godavari Drugs Limited, at FTAPCCI, J.S. Krishnamurthy Hall, Red Hills, Hyderabad on Thursday, 14th August, 2018.

(Member's /Proxy's Signature)

Note:

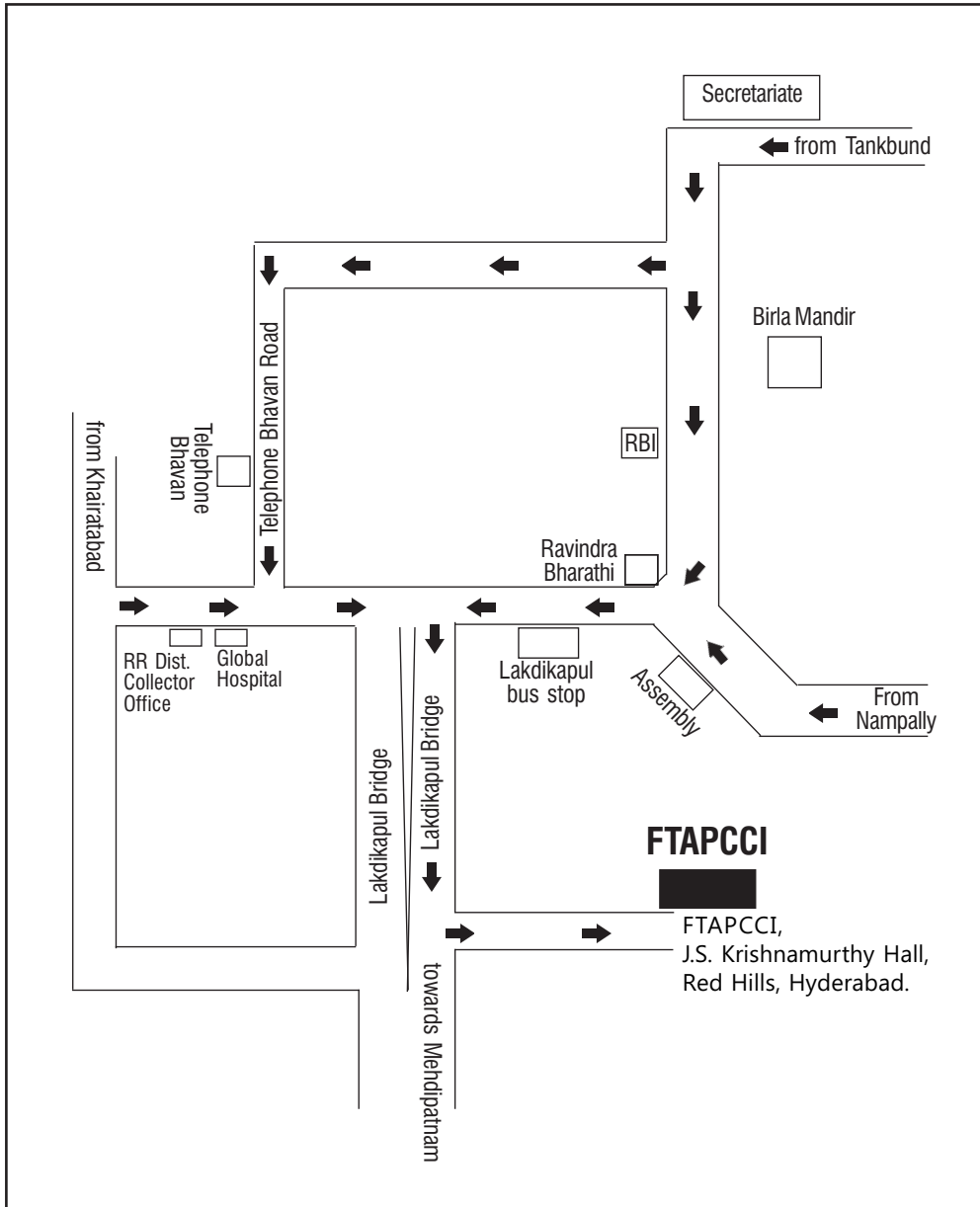
Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.







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