

32nd
Annual Report
2019-2020



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
NARENDRA MADDINENI	:	COMPANY SECRETARY & COMPLIANCE OFFICER

Annual General Meeting

13th August, 2020

at 3.30p.m.

through Video Conferencing
("VC") / Other Audio Visual
Means ("OAVM")

Bankers :

YES Bank Ltd.
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.
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 32nd Annual General Meeting of the Members of **M/s Godavari Drugs Limited** will be held on Thursday, August 13, 2020 at 3.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2020 including Audited Balance Sheet as at 31st March, 2020 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. Ghanshyam Jaju who retires by rotation and being eligible, offers himself for reappointment.
3. Re-Appointment of Auditor to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section - 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule VI of the Act, as amended from time to time, M/s 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."

SPECIAL BUSINESS:

4. **Ordinary Resolution for ratification of remuneration payable to M/s. Bharathula & Associates, appointed as Cost Auditors of the Company for FY 2020-21.**

"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 2020-21, be paid a remuneration of Rs 40000/- 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."

5. Appointment of Mr. Dilip Keshavlal Patel as an Independent Director to consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

RESOLVED FURTHER THAT Pursuant to the provisions of section 149, 152 and any other applicable provisions of companies act 2013 and rules made thereunder (Including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Dilip Keshavlal Patel (DIN No: 00013150) who was appointed as additional director on 24.06.2020 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Independent Director of the company for a period of Five Consecutive years to hold office upto 23.06.2025.



6. Appointment of Mr. Syed Anis Hussain as an Independent Director to consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

RESOLVED FURTHER THAT Pursuant to the provisions of section 149, 152 and any other applicable provisions of companies act 2013 and rules made thereunder (Including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Syed Anis Hussain (DIN No: 00115949) who was appointed as additional director on 24.06.2020 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Independent Director of the company for a period of Five Consecutive years to hold office upto 23.06.2025.

7. Appointment of Mr. Ramesh Babu Telugu as an Independent Director to consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

RESOLVED FURTHER THAT Pursuant to the provisions of section 149, 152 and any other applicable provisions of companies act 2013 and rules made thereunder (Including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Ramesh Babu Telugu (DIN No: 03613926) who was appointed as additional director on 24.06.2020 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Independent Director of the company for a period of Five Consecutive years to hold office upto 23.06.2025.

8. Appointment of Mrs. Vimala Madon as an Independent Director to consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

RESOLVED FURTHER THAT Pursuant to the provisions of section 149, 152 and any other applicable provisions of companies act 2013 and rules made thereunder (Including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Vimala Madon (DIN No: 06925101) who was appointed as additional director on 24.06.2020 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Independent Director of the company for a period of Five Consecutive years to hold office upto 23.06.2025.

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: : 24.06.2020

Narendra Maddineni
Company Secretary & Compliance Officer
(M. No. ACS 61159)

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting during the AGM will be provided by NSDL.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking reappointment at this AGM is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 06.08.2020 to 13.08.2020 (both days inclusive).
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. CIL Securities Limited for assistance in this regard.
7. To promote green initiative, Members who have not registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic form and with M/s. CIL Securities Limited, in case the shares are held in physical form.
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 are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to M/s. CIL Securities Limited in case the shares are held by them in physical form.
10. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH- 13. The said form can be downloaded from the Company's website <https://www.godavaridrugs.com>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. CIL Securities Limited in case the shares are held in physical form.



11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. CIL Securities Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 12, 2020 through email on info@godavaridrugs.com. The same will be replied by the Company suitably.
14. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. **The e-voting period will commence at 9.00 a.m. on, 10th August, 2020 and will end at 5.00 p.m. on, 12th August, 2020.**
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.godavaridrugs.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSDL at <https://www.evoting.nsdl.com/>. Members whose email IDs are not registered with the Company/Depositories are requested to follow the process provided further for registration of email IDs with the depositories for procuring user ID & password and registration of email IDs for e-voting for the resolutions set out in this notice.
16. 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.
17. 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.
18. 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
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice
20. Instructions for e-voting and joining the AGM are as follows:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on 10th August, 2020 at 09:00 A.M. and ends on 12th August, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on August 05, 2020 (Cut-off date), may cast their vote electronically.

Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the Cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.



How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

a) For Members who hold shares in demat account with NSDL.

b) For Members who hold shares in demat account with CDSL.

c) For Members holding shares in Physical Form.

Your User ID is:

8 Character DP ID followed by 8 Digit Client ID
For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

16 Digit Beneficiary ID
For example, if your Beneficiary ID is 12***** then your user ID is 12*****.

EVEN Number followed by Folio Number registered with the company

For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your



mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vss.associate@gmail.com with a copy marked to evoting@nsdl.co.in.



2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@godavaridrugs.com

In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to info@godavaridrugs.com
2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.



4. Members are encouraged to join the Meeting through Laptops for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at info@godavaridrugs.com.
8. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info@godavaridrugs.com. The same will be replied by the company suitably.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on August 5, 2020. 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 or e-voting at the AGM.
11. The Company has appointed Mrs. Vidya Harkut, Practising Company Secretary, partner of VSS & Associates (FCS7086) to act as the Scrutinizer, for conducting the scrutiny of the votes cast at the AGM in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
12. 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.
13. The scrutiner shall submit his report to the Chairman, who shall declare the result of the voting. 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.
14. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 13, 2020.

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

Place: Secunderabad
Date: : 24.06.2020

Narendra Maddineni
Company Secretary & Compliance Officer
(M. No. ACS 61159)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

In conformity with Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice and should be taken as forming part of the Notice. An explanatory statement in relation to Item No.4 is also furnished and should also be taken as forming part of the Notice.

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 June 24, 2020, the Board has, considered and approved the appointment of M/s Bharathula & Associates, Cost Accountants as the cost auditor for the financial year 2020-21 at a remuneration of Rs.40000 plus applicable taxes 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.

Item No. 5

Mr. Dilip Keshavlal Patel (DIN No: 00013150) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, who holds office upto March 26, 2020.

The Board of Directors at its Board Meeting held on June 24, 2020, has recommended re-appointment of Mr. Dilip Keshavlal Patel as Independent Director for a term of 5 (five) consecutive years on the Board of the Company. The Board of Directors, at their meeting held on June 24, 2020, based on the performance evaluation considers that, given Mr. Dilip Keshavlal Patel's experience and contribution made by him during the previous term, the continued association of Mr. Dilip Keshavlal Patel, would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Dilip Keshavlal Patel as Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company with effect from June 24, 2020 till June 23, 2025.

Section 149(10) of the Act provides that an Independent Directors shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's Report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Mr. Dilip Keshavlal Patel is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Dilip Keshavlal Patel for the office of Independent Director of the Company.



The Company has also received declaration from Mr. Dilip Keshavlal Patel that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Dilip Keshavlal Patel fulfil the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations and they are independent of the management. Details of Mr. Dilip Keshavlal Patel whose re appointment as Independent Director is proposed at Item No. 5 is provided in Annexure 2 to the Notice pursuant to the provisions of the Listing Regulations and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

Copy of draft letter of re-appointment of Mr. Dilip Keshavlal Patel setting out the terms and conditions of reappointment are available on the website of the Company Mr. Dilip Keshavlal Patel is interested in the resolution set out at Item No.5 of the Notice with regard to his re-appointment. The relatives of Mr. Dilip Keshavlal Patel may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval by the Members. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Items No.5 of the Notice.

Item No. 6

Mr. Syed Anis Hussain (DIN No: 00115949) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, who holds office upto March 26, 2020.

The Board of Directors at its Board Meeting held on June 24, 2020, has recommend re-appointment of Mr. Syed Anis Hussain as Independent Director for a term of 5 (five) consecutive years on the Board of the Company. The Board of Directors, at their meeting held on June 24, 2020, based on the performance evaluation considers that, given Mr. Syed Anis Hussain's experience and contribution made by him during the previous term, the continued association of Mr. Syed Anis Hussain, would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Syed Anis Hussain as Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company with effect from June 24, 2020 till June 23, 2025.

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) (Amendment) Regulations, 2018 dated May 9, 2018, effective from April 1, 2019 approval of the Members by way of Special Resolution is required for appointment of Non-Executive Directors beyond the age of seventy-five years. Consent of the members, by way of special resolution, is also sought under Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, for re-appointment of Mr. Syed Anis Hussain, who would attain the age of 75 years during 2020, i.e., during the re-appointment term, and hence shareholders' approval through Special Resolution is sought under Item No.6 to this Notice.

Section 149(10) of the Act provides that an Independent Directors shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's Report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.



Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Mr. Syed Anis Hussain is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Syed Anis Hussain for the office of Independent Director of the Company.

The Company has also received declaration from Mr. Syed Anis Hussain that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Syed Anis Hussain fulfil the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations and they are independent of the management. Details of Mr. Syed Anis Hussain whose re appointment as Independent Director is proposed at Item No. 6 is provided in Annexure 2 to the Notice pursuant to the provisions of the Listing Regulations and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

Copy of draft letter of re-appointment of Mr. Syed Anis Hussain setting out the terms and conditions of reappointment are available on the website of the Company Mr. Syed Anis Hussain is interested in the resolution set out at Item No.6 of the Notice with regard to his re-appointment. The relatives of Mr. Syed Anis Hussain may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Special Resolution set out at Item No.6 of the Notice for approval by the Members. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Items No.6 of the Notice.

Item No. 7

Mr. Ramesh Babu Telugu (DIN No: 03613926) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, who holds office upto March 26, 2020.

The Board of Directors at its Board Meeting held on June 24, 2020, has recommended re-appointment of Mr. Ramesh Babu Telugu as Independent Director for a term of 5 (five) consecutive years on the Board of the Company. The Board of Directors, at their meeting held on June 24, 2020, based on the performance evaluation considers that, given Mr. Ramesh Babu Telugu's experience and contribution made by him during the previous term, the continued association of Mr. Ramesh Babu Telugu, would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Ramesh Babu Telugu as Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company with effect from June 24, 2020 till June 23, 2025.

Section 149(10) of the Act provides that an Independent Directors shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's Report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.



Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Mr. Ramesh Babu Telugu is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ramesh Babu Telugu for the office of Independent Director of the Company.

The Company has also received declaration from Mr. Ramesh Babu Telugu that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Ramesh Babu Telugu fulfil the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations and they are independent of the management. Details of Mr. Ramesh Babu Telugu whose re appointment as Independent Director is proposed at Item No. 7 is provided in Annexure 2 to the Notice pursuant to the provisions of the Listing Regulations and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

Copy of draft letter of re-appointment of Mr. Ramesh Babu Telugu setting out the terms and conditions of reappointment are available on the website of the Company Mr. Ramesh Babu Telugu is interested in the resolution set out at Item No.7 of the Notice with regard to his re-appointment. The relatives of Mr. Ramesh Babu may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Special Resolution set out at Item No.7 of the Notice for approval by the Members. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Items No.7 of the Notice.

Item No. 8

Mrs. Vimala Madon (DIN No: 06925101) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, who holds office upto March 26, 2020.

The Board of Directors at its Board Meeting held on June 24, 2020, has recommended re-appointment of Mrs. Vimala Madon as Independent Director for a term of 5 (five) consecutive years on the Board of the Company. The Board of Directors, at their meeting held on June 24, 2020, based on the performance evaluation considers that, given Mrs. Vimala Madon's experience and contribution made by her during the previous term, the continued association of Mrs. Vimala Madon, would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director. Accordingly, it is proposed to re-appoint Mrs. Vimala Madon as Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company with effect from June 24, 2020 till June 23, 2025.

Section 149(10) of the Act provides that an Independent Directors shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution



by the Company and disclosure of such appointment in its Board's Report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Mrs. Vimala Madon is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Vimala Madon for the office of Independent Director of the Company.

The Company has also received declaration from Mrs. Vimala Madon that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mrs. Vimala Madon fulfil the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations and they are independent of the management. Details of Mrs. Vimala Madon whose re appointment as Independent Director is proposed at Item No. 8 is provided in Annexure 2 to the Notice pursuant to the provisions of the Listing Regulations and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

Copy of draft letter of re-appointment of Mrs. Vimala Madon setting out the terms and conditions of reappointment are available on the website of the Company Mr. Ramesh Babu Telugu is interested in the resolution set out at Item No.8 of the Notice with regard to his re-appointment. The relatives of Mrs. Vimala Madon may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Special Resolution set out at Item No.8 of the Notice for approval by the Members. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Items No.8 of the Notice.

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

Place: Secunderabad
Date: : 24.06.2020

Narendra Maddineni
Company Secretary & Compliance Officer
(M. No. ACS 61159)



DIRECTOR'S REPORT

**To,
The Members,**

It gives us immense pleasure to present the Annual Report for the Financial Year 2019-2020 of your company together with the Audited Statement of Accounts.

Financial Highlights

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

(in Rupees)

PARTICULARS	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from Operations	960254252	837888442
EBITDA	63629914	57229370
Less: Finance cost	29114518	28898583
Less: Depreciation	11625830	10872784
Profit before tax & exceptional items	22889566	17458003
Less: Exceptional items	-	-
Profit before tax	22889566	17458003
Less: Tax expenses	2881765	5373569
Profit After Tax	20007801	12084434
Transferred to general reserve	-	-
Proposed Dividend	-	-

Company Performance

Your Company has improved its performance during the year under review inspite of a lot of disturbances globally. The Company has achieved a turnover of Rs 9602.54 lakhs with a Net profit was Rs 2.00 crores.

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 2019-20, four meetings of the Board of Directors of the company were held, as against the minimum requirement of four meetings.

Date	Board Strength	No. of Directors Present
29th May, 2019	08	08
13h August, 2019	08	08
12th November, 2019	08	06
12th February, 2020	08	07

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

All Related Party Transactions that were entered during the financial year under review were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

None of the transactions entered with related parties falls under the scope of Section 188(1) of the Act.

The Company has adopted a Policy for dealing with Related Party Transactions. The Policy as approved by the Board may be viewed on the Company's website.

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 Ghanshyam Jaju, 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

- Customs Matter and Appeal Pending with CESTAT, Mumbai amounting Rs. 6,96,062 - Applied Under Sabka Vikas Scheme



- Appeal Pending with CESTAT, Mumbai amounting Rs. 16, 29,999/-
- In Respect of Service Tax and Appeal Pending with CESTAT, Mumbai amounting Rs. 3,97,766/-

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

During the year under review, your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. 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 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, 4 meetings of the Committee were held on, May 29, 2019; August 13, 2019; November 12, 2019 and February 12, 2020.



The composition of the Committee as on 31st March, 2020 as well as the particulars of attendance at the Committee during the year are given in the table below:

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

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"), the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 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 2019-20 (in Lakhs)	% increase in Remuneration in the Financial Year 2019-20	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	4.41:1
3	Kirti Kumar Jain , Executive Director	6.00	Nil	2.59:1
4	Mohit Jaju , Executive Director	6.00	Nil	2.59:1
5#	Syed Hussain , Independent Director	0.40	Nil	0.17:1
6#	Dilip Patel , Independent Director	0.40	Nil	0.17:1
7#	Ramesh Babu Telugu , Independent Director	0.20	Nil*	0.09:1
8#	Vimala Madon , Independent Director	0.40	Nil*	0.17:1



9	Jeevan Innani , Company Secretary & Compliance Officer (Upto 1.4.2019 To 11.02.2020)	2.10	Nil	0.91:1
10	Narendra Maddineni , Company Secretary & Compliance Officer	0.49	Nil	0.21:1

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. 21923/-and the percentage increase in the median remuneration of employees in the financial year is 13.75%.

Number of permanent employees on the rolls of company:

Number of employees on the roll of the Company as on 31st March, 2020 was 101 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 2019-20 was 7.83%. Percentage increase in the managerial remuneration for the year was 7.38%.

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

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

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

- Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than Rs. 1,02,00,000: -NIL
- Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than Rs. 8,50,000/- per month: - NIL
- Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole-time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company:- NIL

Fraud Reporting

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

Statutory Auditors

Pursuant to the provisions of Section - 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule VI of the Act, as amended from time to time, 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, 2020, 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, 2020 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 : 24.06.2020

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, 2020**

**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 Email : info@godavaridrugs.com
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	89.90%

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 01.04.2019]				No. of Shares held at the end of the year[As on 31.03.2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4066204	-	4066204	54	4206204	-	4206204	55.86	1.86



b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total share-holding of Promoter(A)	4066204	-	4066204	54	4206204	-	4206204	55.86	1.86
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	37500	37500	0.50	-	37500	37500	0.50	-
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	-
2. Non-Institutions									
a) Bodies Corp.	414512	45500	460012	6.11	246844	45500	292344	3.88	(2.23)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1161719	244853	1406572	18.68	1170172	240853	1411025	18.74	0.06
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1151140	100000	1251140	16.61	1175569	100000	1275569	16.94	0.33
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	73170	216400	289570	3.85	73433	216400	289833	3.85	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-



Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	19502	-	19502	0.26	18025	-	18025	0.24	(0.02)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	2820043	606753	3426796	45.50	2684043	602753	3286796	43.64	(1.86)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2820043	644253	3464296	46.00	2684043	640253	3324296	44.14	(1.86)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total	6886247	644253	7530500	100.0	6890247	640253	7530500	100.0	-

(A+B+C)

B) Shareholding of Promoters -

Sl.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year(As on 31.03.2020)			% 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	1053879	13.99	0.00	1053879	13.99	0.00	-
3	Ghanshyam Jaju	343800	4.57	0.00	343800	4.57	0.00	-
4	Mukund Kakani	323100	4.29	0.00	323100	4.29	0.00	-
5	Mohit Jaju	325000	4.32	0.00	364000	4.83	0.00	0.51
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 Shrimal	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	160000	2.12	0.00	160000	2.12	0.00	-
14	Naina Jain	22149	0.29	0.00	22149	0.29	0.00	-
15	Tanushree Kakani	80000	1.06	0.00	140000	1.86	0.00	0.80
16	Akshiet Kakani	285000	3.78	0.00	326000	4.33	0.00	0.55


C) Change in Promoters' Shareholding:

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

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

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2019		Shareholding at the end of the year as on 31.3.2020	
		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	GAUTAM CHAND JAIN	67000	0.89%	111000	1.47%
3	SWET REALTORS PVT. LTD.	100000	1.33%	100000	1.33%
4	VARUN JAIN	100000	1.33%	100000	1.33%
5	PAWAN KOTHARI	94710	1.26%	94710	1.26%
6	SANAJY JAJU	75175	1.00%	70575	0.94%
7	GOPALA KRISHNAN V	75701	1.01%	62186	0.83%
8	POOJA AGARWAL	50200	0.67%	50200	0.67%
9	BEENA SHARMA	47515	0.63%	47515	0.63%
10	SHAKUNTALA JAJU	44600	0.59%	44600	0.59%

**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 (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (01.04.2019)/ end of the year (31.03.2020)	% 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 323100	4.29 4.29	0	Nil movement during the year	323100	4.29
04	Mohit Jaju(Director)	325000 364000	4.32 4.83	0	Buy	364000	4.83
05	Dilip Patel(Director)	0 0	0 0	0	Nil movement during the year	0	0
06	Syed Hussain(Director)	0 0	0 0	0	Nil movement during the year	0	0
07	Ramesh Babu Telugu (Director)	3700 3700	0.05 0.05	0	Nil movement during the year	0	0.05
08	Vimala Madon(Director)	0 0	0 0	0	Nil movement during the year	0	0
09	Jeevan Innani (KMP)	0 0	0 0	0	Nil movement during the year	0	0
10	Narendra Maddeni (KMP)	0 0	0 0	0	Nil movement during the year	0	0



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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	166864750	43272992	-	210137742
ii) Interest due but not paid	-	4610475	-	4610475
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	166864750	47883467	-	214748217
Change in Indebtedness during the financial year				
* Addition	28868015	22011228	-	50879243
* Reduction	-	-	-	-
Net Change	28868015	22011228	-	50879243
Indebtedness at the end of the financial year				
i) Principal Amount	195732765	65020827	-	260753592
ii) Interest due but not paid	-	4873868	-	4873868
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	195732765	69894695	-	265627460

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	0.40	Nil	0.40
Shri Dilip Patel	0.40	Nil	0.40
Shri Ghanshyam Jaju	Nil	Nil	Nil
Shri Ramesh Telugu	0.20	Nil	0.20
Smt. Vimala Madon	0.40	Nil	0.40

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Lakhs)

Sl.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	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			9.60

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	3,40,916
Ghanshyam Jaju HUF	HUF	-	NA	2,49,423
Ghanshyam Jaju	Director	-	NA	19,92,376
Mukund Kakani	Managing Director	-	NA	10,03,615
Mukund Kakani(HUF)	HUF	-	NA	2,02,650
Kirti Kumar Jain	Director	-	NA	76,721
Mohit Jaju	Director	-	NA	5,75,732
Mohit Jaju (HUF)	HUF	-	NA	4,87,583
Tanushree Kakani	Relatives of KMP	-	NA	4,86,386

**Purchase of Stores:**

A.K.Paper Products Pvt. Ltd.	Associated Company Guidelines	Ongoing	Based on Transfer Pricing	283319
Sundry Creditors:				
Sushma Kakani	Relatives of KMP	NA	NA	-
Loans:				
Mohit Jaju	Director	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	7114336
Mukund Kakani	Managing Director	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	14147005
Kirti Kumar Jain	Director	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	2007274
Ghanshyam Jaju	Director	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	22168210
Ghanshyam Jaju (HUF)	HUF	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	2764365
Kamala Jaju	Relative of Director	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	3779145
Mukund Kakani (HUF)	HUF	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	2245964
Mohit Jaju (HUF)	HUF	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	5405000
Tanushree Kakani	Relatives of KMP	Repayable after 31.03.2021	Carries interest rate of 9% p.a.	5389528



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.

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. 24,83,647/-
- c. Total Rs. 24,83,647/-
- d. Total R & D expenditure as a % of total turnovers: 0.26%

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	2019-2020	2018-19
A. Power & Fuel Consumption			
1. Electricity			
a) Purchased			
Units	000 KWU	2597	2297
Total Amount	Rs. In Lacs	212.34	169.25
Average cost	Rs. / KWU	8.18	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	6670.31	6469.31
Total Cost	Rs. In Lacs	264	242
Average Cost	Rs./Per/Kg	3.96	3.74
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 0.31 Lakhs (Rs.22.01 lakhs)
Outgo	The foreign exchange outgo on account of purchase of raw material is USD 100.35 Lakhs (Rs.7483.26 Lakhs)

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020
[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, 2020 ("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, 2020 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: 24.06.2020

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.

Place: Hyderabad
Date: 24.06.2020

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



ANNEXURE - V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

❖ **Forward-Looking Statements**

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**

India is the third largest Pharmaceutical market in Asia and is one of the major global generic drugs providers. India's domestic Pharmaceutical market is also growing year on year.

India offers numerous opportunities for the Pharmaceutical industry. Along with enhanced medical infrastructure, risk in the treatment of Chronic diseases, improving health insurance coverage etc., will act as growth opportunities for the industry.

❖ **Opportunities and threats**

The company is working towards making inroads in emerging market opportunities by identifying different products and therapeutic segments and using its R&D and development skills in developing these products.

- The company is working towards increase its customer base for the Quinolones segment.
- The company is also making efforts to penetrate the markets further and increase the volumes of the anti inflammatory drug which was added to the basket.
- Rising healthcare focus by Government leading to increased spending on the health sector is a growth factor to the pharmaceutical segment.
- The company is making continuous effort to identify additional products and therapeutic segments using its R&D and business development resources.
- We remain cautiously optimistic about our prospects and our pipeline while we gauge the impact that COVID 19 could have on the market..

The financial highlights are as under: -

(Rs. in Rupees)

Sales for the year 2019-2020	960254252
Profit after tax	20007801
Paid up equity share capital as on 31st Mar'2020	75305000
Finance costs	29114518
Depreciation / Amortisation	11625830
Employee Benefit Expenses	34451102



❖ **Risks and Outlook**

The company has an integrated risk management approach through which we assess risks on a regular basis to ensure that a robust system on risks controls and mitigation is in place management review on the above is done on periodic basis to keep an update and address emerging challenges

❖ **Internal control systems**

Adequate internal control system in line with the nature of the company's business and of it's since of its operations are in place and have been operating satisfaction. Internal control systems are designed to ensure reliability of financial reporting, timely feedback an achievement of operational and strategic foals, compliance with policies, procedure, applicable laws and regulation.

❖ **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	1	Nil	Nil
Mr. Dilip Patel	Independent Director	6	4	8
Mr. Syed Hussain	Independent Director	3	2	1
Mr. Ramesh Babu Telugu	Independent Director	2	Nil	Nil
Mrs. Vimala Madon	Independent Director	3	Nil	Nil



Details of Board Meetings held during the year

Date	Board Strength	No. of Directors Present	% (Percentage) of Directors Presence
29th May, 2019	08	08	100
13th August, 2019	08	08	100
12th November, 2019	08	06	75
12th February, 2020	08	07	87.50

Code of Conduct

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

Committees of the Board

(a) Audit Committee

In compliance with Section 177 of the Companies Act, 2013 read with the Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 18 of SEBI Regulations 2015 and other applicable provisions, the Audit Committee has been constituted by the Board.

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

The composition of the Audit Committee as at March 31, 2020 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			
		29/05/2019	13/08/2019	12/11/2019	12/02/2020
Mr. Dilip Patel	Chairman Independent Director	Y	Y	Y	Y
Mr. Syed Hussain	Member Independent Director	Y	Y	Y	Y
Mr. Kirti Kumar Jain	Member Director Finance	Y	Y	Y	Y

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Listing Obligations and Disclosure Requirement (LODR). Some of the important functions performed by the Committee are:

a) 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, 2020 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 2018-19 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 2019-20 are given below:

Name of Director	Sitting Fees (In Lacs.)	Commission (In lacs)	Total (In Lacs)
Shri Syed Hussain	0.40	Nil	0.40
Shri Dilip Patel	0.40	Nil	0.40
Shri Ghanshyam Jaju	Nil	Nil	Nil
Shri Ramesh Telugu	0.20	Nil	0.20
Smt. Vimala Madon	0.40	Nil	0.40

(c) Corporate Social Responsibility (CSR) Committee

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

(d) Stakeholders' Relationship Committee

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

Composition of the Committee

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

Meetings and attendance of the Committee during the year:

During the year, the committee met two times i.e. on 13 August, 2019 and 12 February, 2020. 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 2019 -20 is as under:

Sl. No.	Nature of Complaint/request	Received	Cleared
1	Change / Correction of Address	07	07
2	No. of transfers(Trf.No.6262-6284 for 4200 shares)	02	02
3	Non receipt of shares /Others	01	01



Pursuant to Regulation 40 (9) of the Listing Obligations and Disclosure Requirement (LODR), a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

The terms of reference of the Committee:

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

- Transfer of shares
- Non-receipt of balance sheet
- Non-receipt of dividend etc.
- Issue of duplicate share certificate
- Other queries.

Independent Directors Meeting

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Shri Syed Hussain, Shri Dilip Patel, Shri Ramesh Babu Telugu and Smt. Vimala Madon, met on 12th February, 2020 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

Postal Ballot

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

General Body Meetings

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

Year	Location	Date	Time
2018-2019	J. S. Krishnamurthy Hall, FTCCI Premises, Red Hills, Hyderabad	13th August, 2019	3.30 P.M.
2017-2018	J. S. Krishnamurthy Hall, FTCCI Premises, Red Hills, Hyderabad	14th August, 2018	3.30 P.M.
2016-2017	J. S. Krishnamurthy Hall, FTCCI Premises, Red Hills, Hyderabad	12th September, 2017	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

SI No	Item	Details		
1.	AGM Date, Time and Venue	On 13th August, 2020 at 3.30 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") (To be held)		
2.	Financial Calendar 2020-2021(Tentative)	First Quarter Results - By 15th Aug 2020 Second Quarter /Half year Results - By 15th November 2020 Third Quarter/Nine Months Results- By 15th February 2021.		
3.	Dates of book closure	06.08.2020 to 13.08.2020		
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'19	24.00	21.05
		May'19	25.25	21.15
		June'19	24.40	19.20
		July'19	23.55	16.00
		August'19	19.90	14.00
		September'19	18.40	15.10
		October'19	19.85	14.15
		November'19	19.35	14.10
		December'19	17.00	13.60
		January'20	17.50	13.85
		February'20	19.25	15.20
March'20	18.45	9.00		



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 2020	Category	No. of Shares	%
	Promoter	4206204	55.86
	Financial Institution and Banks	37500	0.50
	Bodies Corporate	292344	3.88
	Indian Public	2704619	35.91
	NRI's / OCB's	289833	3.85
	TOTAL	7530500	100

11. Distribution of Shareholding as on 31st March 2020

Shareholding of Nominal value		No. of Holders	% of total Holders	Shares Amount	% of total Amount
From	To				
--	5000	3402	84.50	4907620	6.52
5001	10000	283	7.03	2398220	3.18
10001	20000	132	3.28	2044990	2.72
20001	30000	55	1.37	1394600	1.85
30001	40000	18	0.45	639060	0.85
40001	50000	23	0.57	1066710	1.42
50001	100000	40	0.99	2959900	3.93
100001	75305000	73	1.81	59893900	79.53
		4026	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. Narendra Maddineni,
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, 2020.

Place: Secunderabad
Date: 24.06.2020

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 2019-20, 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 2019-20;
- b) there have been no significant changes in accounting policies during the year 2019-20 except the change in the Stock valuation method for which Company adopted the Weighted Average Policy; and
- c) there have been no materially significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Place: Secunderabad
Date: 24.06.2020

Mukund Kakani
Managing Director &
Chief Executive Officer

Kirti Kumar Jain
Director &
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Members of Godavari Drugs Limited
Hyderabad, Telangana.

Opinion

We have audited the financial statements of Godavari Drugs Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl.No.	Key Audit Matter	Auditor's Response
1.	<p>Disputed Tax Demands</p> <p>The company is in dispute in respect of demands from revenue authorities viz., Service Tax and Central Excise to the extent of Rs.27.24 lakhs (Previous Year Rs.27.24 Lakhs) The matter is in appeal before the appellate/ judicial authorities The company has made a payment of part of the amount pending outcome of the appeal and the same is accounted for as an advance (Current Assets).</p> <p>This position involves uncertainty about the possible outcome of these disputes and consequent recovery of the part payments so made.</p>	<p>We have obtained and considered an expert opinion on the matters involved in these appeals and also the judicial precedents. We have evaluated the same to assess whether there should be a change in the management's position on the sustainability and recoverability of the amounts paid against the disputed demands</p>



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1. (8) to the financial statements;
 - 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.

For V. Sridhar & Co.

Chartered Accountants
FRN: 006206S

Vemulapati Sridhar

Proprietor
ICAI Membership No. 202337.
Hyderabad. . June 24, 2020



Reg: Godavari Drugs Limited, year ended March 31, 2020.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of the Report of even date under the heading **Report on Other Legal and Regulatory Requirements**)

1. (a) 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, 2020
(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, 2020 which has not been deposited on account of a dispute except as under:
Rs. In lakhs.

Sl. No.	Name of the Statute	Nature of the due	Amount	Claim period	Authority before whom Dispute pending	Deposit made against the disputed amount
1.	Customs Act 1944	Customs Duty	16.30	2000-01	CESTAT-Mumbai	0.41
2.	Central Excise Act 1962	Excise Duty	6.96	2008-09 to 2013-14	CESTAT-Mumbai	2.50
3.	Central Excise Act	Service Tax	3.98	2014-15	CESTAT-Mumbai	0.14

*The company has preferred an application under Sabkha Vishwas Dispute Settlement Scheme, 2019. The application has been approved and the due date of payment of taxes is June 30, 2020

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
ICAI Membership No. 202337.
Hyderabad. . June 24, 2020.



Reg: Godavari Drugs Limited, year ended March 31, 2020.

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) of the report of even date under the heading ‘Report on Other Legal and Regulatory Requirements’)

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2020 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 Board of Directors of the Company 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 respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 the 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 internal financial controls system over financial reporting of the Company.

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.

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, to the best of our information and according to the explanations given to us, 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, 2020, 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

ICAI Membership No. 202337.

Hyderabad. . June 24, 2020.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Godavari Drugs Limited.
Report on the audit of the Financial results

Opinion

We have audited the accompanying quarterly financial results of Godavari Drugs Limited (the company) for the quarter ended March 31, 2020 and the year to date results for the period from April 01, 2019 to March 31, 2020 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended March 31, 2020 as well as the year to date results for the period from April 01, 2019 to March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial results

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the



Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial results of the Company to express an opinion on the financial results.

Materiality is the magnitude of misstatements in the financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Vemulapati Sridhar
Proprietor
Membership No.202337
Hyderabad. June 24, 2020.

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Godavari Drugs Limited,
Secunderabad

We have examined the compliance of conditions of Corporate Governance by Godavari Drugs Limited ('the Company'), for the Financial Year ended 31st March, 2020 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulation').

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

In our opinion, and to the best of the information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

For V. Sridhar & Co.,
Chartered Accountants
FRN No. 006206S

Vemulapati Sridhar
Proprietor
ICAI Membership No. 202337
Hyderabad. June 24, 2020.



BALANCE SHEET
Godavari Drugs Limited
Balance Sheet As at March 31, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
1. Non - current assets			
a. Property, Plant and Equipment	2	13,81,36,294	14,96,81,337
b. Tangible Assets			-
c. Capital Work in Progress		8,92,94,443	2,04,81,324
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
(ii) Trade Receivables			
(iii) Loans		-	-
(iv) Others (to be specified)		-	-
i. Deferred tax assets (net)		-	-
j. Other non-current assets	4	34,55,678	22,71,398
2. Current assets			
(a) Inventories	5	17,75,20,098	16,46,79,376
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	6	36,01,85,174	33,95,56,325
(iii) Cash and cash equivalents	7	1,42,66,373	1,52,59,407
(iv) Bank balances other than (iii) above		-	-
(v) Loans	8	49,47,820	40,83,320
(vi) Others (to be specified)		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	9	5,13,54,413	4,13,67,697
Total Assets		83,91,61,292	73,73,81,184

Significant Accounting Policies and Other Information 1
Notes 1 to 24 form integral part of financial statements

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
ICAI Memb. No 202337
Secunderabad. June 24, 2020

Mukund Kakani
Managing Director

Kirti Kumar Jain
Director Finance

Narendra Maddeni
Company Secretary



Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	10	7,53,05,000	7,53,05,000
(b) Other Equity	11	12,72,75,614	10,72,67,813
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	11,16,36,124	8,01,21,392
(ii) Trade payables		-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
(b) Provisions	13	67,09,422	57,36,259
(c) Deferred tax liabilities (Net)	14	57,48,418	67,66,653
(d) Other non-current liabilities		-	-
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	14,91,17,467	13,00,16,350
(ii) Trade payables	16	30,27,28,625	30,36,28,737
(iii) Other financial liabilities (other than those specified in item (c))	17	5,67,40,622	2,49,44,935
(b) Other current liabilities		-	-
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		39,00,000	35,94,044
Total Equity and Liabilities		83,91,61,292	73,73,81,184

Significant Accounting Policies and Other Information 1
Notes 1 to 24 form integral part of financial statements

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
ICAI Memb. No 202337
Secunderabad. June 24, 2020

Mukund Kakani
Managing Director

Kirti Kumar Jain
Director Finance

Narendra Maddeni
Company Secretary



GODAVARI DRUGS LIMITED
Statement of Profit and Loss for the period ended March 31, 2020

In Rupees

Particulars	Note No.	For the period ended 31.03.2020	For the period ended 31.03.2019
I Revenue from operations	18	95,69,77,340	83,54,41,654
II Other income	19	32,76,912	24,46,788
III Total Income (I+II)		96,02,54,252	83,78,88,442
IV EXPENSES			
Cost of Material Consumed	20	77,38,19,416	66,94,84,895
Changes in inventories of finished goods and work-in-progress	21	(71,10,937)	(2,03,76,396)
Employee benefits expense	22	3,44,51,102	3,45,08,012
Finance costs	23	2,91,14,518	2,88,98,583
Depreciation and amortization expense	2	1,16,25,830	1,08,72,784
Other expenses	24	9,54,64,757	9,70,42,562
Total Expenses (IV)		93,73,64,686	82,04,30,440
V Profit/(loss) before exceptional items and tax (III - IV)		2,28,89,566	1,74,58,002
VI Exceptional items		-	-
VII Profit/(loss) before tax (V - VI)		2,28,89,566	1,74,58,002
VIII Tax Expenses:			
1. Current Tax		-39,00,000	-35,94,044
2. Deferred Tax - Reversal during the year		10,18,235	-17,79,525
IX Profit (Loss) for the period from continuing operations (VII-VIII)		2,00,07,801	1,20,84,434
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)		2,00,07,801	1,20,84,434
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 31.03.2020	For the period ended 31.03.2019
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising profit/loss and other Comprehensive Income for the period)		2,00,07,801	1,20,84,434
XVI Earning per equity share (for continuing operation):			
(1) Basic		2.66	1.60
(2) Diluted		2.66	1.60
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		2.66	1.60
(2) Diluted		2.66	1.60
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
ICAI Memb. No 202337
Secunderabad. June 24, 2020

Mukund Kakani
Managing Director

Kirti Kumar Jain
Director Finance

Narendra Maddeni
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Rupees in lakhs

Particulars	Current Period 31.03.2020	Previous Year 31.03.2019
A. Cash Flow from Operating Activities		
Profit before Depreciation, Interest and Tax	636.30	572.29
Other Income considered separately	(32.77)	(24.47)
Net	603.53	547.82
(Increase) / Decrease in Inventories	(128.41)	(299.92)
(Increase) / Decrease in Receivables	(206.29)	(717.82)
(Increase) / Decrease in Short term Loans & Advances	(8.64)	(5.75)
(Increase) / Decrease in Other Current Assets	(99.87)	2.85
Increase / (Decrease) in Current Liabilities	503.03	871.88
Less: Income tax paid	(28.82)	(26.79)
Less: Deferred Tax Adjustment	(10.18)	(1.18)
Total A	624.35	371.09
B. Cash Flow from Investing Activities		
Increase in Fixed Assets	(688.94)	(258.17)
Increase in Non Current Assets	(11.84)	-
Other Income	32.77	24.47
Total B	(668.01)	(233.70)
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Long Term Borrowings	315.15	141.25
Increase / (Decrease) in Long Term Provisions	9.73	2.75
Increase / (Decrease) in Long Term Advances		(1.44)
Interest Paid	(291.15)	(288.99)
Total C	33.73	(146.43)
D. Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	(9.93)	(9.04)
Cash and cash equivalents at the beginning of the year (01.04.2019)	152.59	161.63
Cash and cash equivalents at the end of the year (31.03.2020)	142.66	152.59
Increase/(-)Decrease	(9.93)	(9.04)

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** **Kirti Kumar Jain**
Managing Director Director Finance**Narendra Maddineni**
Company SecretaryICAI Memb. No 202337
Secunderabad. June 24, 2020



GODAVARI DRUGS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020

Sl.No.	Particulars	
I	Equity Share Capital	Rupees
	Balance as on 01.04.2019	7,53,05,000
	Changes during the year	-
	Balance as on 31.03.2020	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 01.04.2019	10,63,18,993	45,00,000	10,00,000	16,54,000	(62,05,180)
	Add: Profit for the year					2,00,07,801
2	Balance as on 31.03.2020	10,63,18,993	45,00,000	10,00,000	16,54,000	1,38,02,621

**Notes to Ind AS Financial Statements for the year ended March 31, 2020.****Note 1: Significant Accounting Policies and other information****1. Company Overview**

The company is engaged in the business of manufacture of Active Pharmaceutical Ingredients (API) and its intermediates, through its manufacturing facility at Nanded, Maharashtra, India.

2. Compliance with Indian Accounting Standards

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act 2013 (the Act), read with Companies (Indian Accounting Standard) Rules 2015. The company has uniformly applied all the applicable accounting policies during the periods presented.

3. Reporting Currency

The financial statements are presented in Indian Rupees which is also the functional and presentation currency of the company. All amounts are rounded off to nearest rupee.

4. Overall Considerations

The financial statements have been prepared using significant accounting policies that are in effect as at March 31, 2020 as presented in detail hereunder.

5. COVID- 19 Impact

The company has evaluated the impact of Corona Virus (COVID-19) on the operations and future economic activity of the company and based on its review and current indicators and future economic prospects, there is no significant impact on the business of the company or its operations.

6. Accounting Policies**6.1 Basis of Preparation of Financial Statements**

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

6.2 Use of Estimates

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

6.3 Recognition of Expenditure

Expenses are accounted for on an accrual basis and provisions are made for all known losses and liabilities

6.4 Property Plant & Equipment

- i) Property, plant and equipment acquired by the company are reported at acquisition value. The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Interest during construction period up to the date of commencement of operations, indirect project expenditure and trial run expenditure (net of trial run income, if any) incurred in respect of projects under implementation are capitalized to the asset constructed / created. Spares and tools that are not in the nature of 'Property, Plant & Equipment' are treated as part of inventories. The costs incurred for the repairs and maintenance of these assets are charged to revenue.



- ii) The cost of assets under construction as on the Balance Sheet date, are classified under the head "capital work in progress" and the same are capitalized as and when they are put to use.

6.5 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 impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. In carrying out such exercise, due effect is given to the requirements of Schedule II of the Companies Act, 2013.

6.6 Depreciation

Depreciation on Property, Plant and Equipment including assets such as Furniture and Fixtures, Computers etc., is provided over the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013.

6.7 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.

6.8 Research & 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.

6.9 Inventories

Inventories are valued at lower of cost or 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 direct costs attributable less discounts. In case of work-in-process and finished goods, cost includes direct labour, material costs and production overheads. Duties and Taxes recoverable from the authorities in the future are not included in the cost of inventory.

6.10 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.

6.11 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.

6.12 Leases

Operating lease payments are recognized as expense in the Statement of Profit and Loss in accordance with the terms of the lease agreement.

6.13 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.

6.14 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.

6.15 Accounting for Taxes on Income

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

7. 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.

8. Employee Benefits

The requisite disclosures pertaining to Employees Benefits are as under;

**Defined Contributions:**

Payments and Provisions for employees include Rs.12.52 lakhs (Previous Year Rs.17.04lakhs) recognised as expenses in respect of defined contribution plans.

Defined Benefit Plans:

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

Leave Encashment:

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

9. CONTINGENT LIABILITIES:

SI.No.	Particulars	31.03.2020	31.03.2019
1	On account of Bank Guarantee	10,00,000	10,00,000
2	Claims against the company/ disputed liabilities not acknowledged as debts:		
(a)	In respect of Advance Licence Customs Demand raised for the year 2000-01 and Appeal pending with CESTAT, Mumbai	16,29,999	16,29,999
(b)	In respect of Excise matter - Demand raised for the year 2008-2009 and applied under SABKA VISHWAS Scheme 2019. The tax payment under the scheme is pending and the last date of payment is 30.06.2020	6,96,062	6,96,062
(c)	In respect of Service Tax on Director's Remuneration :- Demand raised for the period from 01.07.12 to 31.10.14 and Appeal pending with CESTAT, MUMBAI,	3,97,766	3,97,766
(d)	Bonus Related: Consequent to the amendment of The Payment of Bonus Act,1965 with retrospective effect from 01.04.2014 the differential bonus for the year 2014-15 has not been provided as the said amendment has been stayed by the High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh.		
	Total	37,23,827	37,23,827



10. RELATED PARTY TRANSACTIONS

Sl.No. Particulars	Value of transaction
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 Inani	
D. Names of Relatives of Key Management Personnel Mr. Ghanshyam jaju, Mrs. Kamala Jaju, Ghanshyam Jaju HUF, Mrs. Sushma kakani, Mukund Kakani HUF, Mohith Jaju HUF And Mrs. Tanushree Kakani	
E. Transactions – [Value of the Transaction and (Balance Due)]	
1. Rent	
a. Sushma Kakani	Rs.1,80,000
b. Mohit Jaju	Rs.3,00,000
2. Remuneration	
a. Mukund Kakani	Rs.10,20,000
b. Kirtikumar Jain	Rs.6,00,000
c. Mohit jaju	Rs.6,00,000
3. Interest**	
a. Kamala Jaju	Rs.3,40,916
b. Ghanshyam Jaju (HUF)	Rs.2,49,423
c. Ghanshyam Jaju	Rs.19,92,376
d. Tanushree Kakani	Rs.4,86,386
e. Mukund Kakani	Rs.10,03,615
f. Mukund Kakani (HUF)	Rs.2,02,650
g. Kirti Kumar Jain	Rs.76,721
h. Mohit Jaju	Rs. 5,75,732
i. Mohit Jaju (HUF)	Rs.4,87,583
4. Purchase Stores A.K.Paper Products Pvt. Ltd.	Rs.2,83,319
5. Loans -	
a. Mohit Jaju	Rs.71,14,336
b. Mukund Kakani	Rs.1,41,47,005
c. Kirti Kumar Jain	Rs.20,07,274
d. Mohit Jaju (HUF)	Rs.54,05,000
e. Mukund Kakani (HUF)	Rs.22,45,964
f. Ghanshyam Jaju	Rs.2,21,68,210



g. Ghanshyam Jaju (HUF)	Rs.27,64,365
h. TanushreeKakani	Rs.53,89,528
i. Kamala Jaju	Rs.37,79,145

11. Particulars of Sales, Closing and Opening Inventory

(Rupees)

	Sales Value		Closing Inventory	Opening Inventory
	2019-20	2018-19	31.03.2020	31.03.2019
Manufacturing Bulk Drugs (Net)	95,62,67,215	83,54,41,654-	5,97,97,547	4,54,20,085
Contract Manufacturing				
Trading Raw Materials	7,10,125	-	-	-
	95,69,77,340	83,54,41,654	5,97,97,547	4,54,20,085

12. Value of Raw Materials, Stores & Spares Consumed

Rupees

	% Cons	2019-20	% Cons	2018-19
Value of Raw Materials	81.19	62,82,60,145	78.53	52,57,58,987
Imported Indigenous	18.81	14,55,59,272	21.47	14,37,25,908
Total		77,38,19,416		66,94,84,895
Stores and Spares Imported Indigenous	100	98,88,921	-100	83,25,595

- 13.** Value of Imports calculated on CIF basis in respect of Raw Materials: Rs.57,56,27,061 (Previous Year (Rs.54,03,25,788))
- 14.** Expenses in Foreign Exchange – Towards Travelling Rs.14,86,343 (Previous Year- Rs.8,87,882)
- 15.** Foreign Currency exposure that are not hedged by derivative or forward contract as on the last day of the year: Rs.26,36,43,355(Previous Year Rs.25,34,24,368)
- 16.** Earnings in Foreign Exchange: Exports on FOB basis: Rs.21,30,279. (Previous Year – Rs.1,64,90,357).
- 17.** Previous year's figures have been regrouped / reclassified wherever necessary to conform with the current year's presentation.



Notes forming part of financial statements as at March 31, 2020

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 31.3.2019	Additions	Deletions	As at 31.3.2020	For the Period	As at 31.3.2020	As at 31.3.2019	As at 31.3.2019
1	Lease hold land	3,27,800			3,27,800	-	-	3,27,800	3,27,800
2	Factory Building	4,40,30,446			4,40,30,446	13,21,914	2,00,25,610	2,40,04,836	2,53,26,750
3	Plant & Machinery	26,67,16,620		14,23,766	26,52,92,854	79,42,607	16,06,57,118	10,46,35,736	11,40,02,109
4	Electrical Installations	1,68,85,810			1,68,85,810	8,21,762	1,14,32,954	54,52,856	62,74,618
5	Laboratory Equipment	13,32,273			13,32,273	14,767	12,06,345	1,25,928	14,06,395
6	Furniture & Fixtures	10,05,365	1,26,642		11,32,007	72,429	8,93,429	2,38,578	18,43,655
7	Vehicles	80,09,634	13,55,915		93,65,549	13,56,795	62,10,905	31,54,644	31,55,524
8	Office Equipments	10,79,593			10,79,593	53,084	9,27,632	1,51,961	2,05,045
9	Computers	26,33,338	21,996		26,55,334	42,472	26,11,379	43,955	6,44,311
	Total	34,20,20,879	15,04,553	14,23,766	34,21,01,666	1,16,25,830	20,39,65,372	13,81,36,294	14,96,81,337

Rupees



Notes forming part of the Financial Statements

Rupees

Particulars	As at 31st March, 2020	As at 31st March, 2019
Note 3: Investments		
Long Term Quoted		
500 HDFC Shares @ Rs.2 per share Face Value (Market value is Rs.4,30,950; PY Rs. 7,21,150)	1,000	1,000
Total	1,000	1,000
Note 4 : Other Non Current Assets (Unsecured,considered good)		
Security Deposits	34,55,678	22,71,398
Total	34,55,678	22,71,398
Note 5 : Inventories [As verified, valued and certified by the Management]		
Raw Material	8,66,66,658	8,25,53,606
Work-in-Process	2,91,62,323	3,64,28,848
Finished Goods	5,97,97,547	4,54,20,085
Other Stock	18,93,570	2,76,837
Total	17,75,20,098	16,46,79,376
Note 6: Trade Receivables		
Unsecured and considered good	36,01,85,174	33,95,56,325
Total	36,01,85,174	33,95,56,325
Note 7: Cash and cash equivalents		
Cash in hand	2,83,469	5,03,239
In Current Accounts	41,28,750	28,70,887
In Margin money deposits (With maturity less than 12 months)	98,54,154	1,18,85,280
Total	1,42,66,373	1,52,59,407
Note 8 :Loans		
Loans and advances to employees	49,47,820	40,83,320
Total	49,47,820	40,83,320
Note 9: Other Current Assets		
Capital Advance to Suppliers	2,89,00,652	1,59,06,101
Advance to suppliers	46,89,270	76,70,419
Balance with Revenue authorities	92,69,082	1,15,98,178



Particulars	As at 31st March, 2020	As at 31st March, 2019
Income Tax and TDS	42,01,635	34,94,112
Others	42,93,774	26,98,887
Total	5,13,54,413	4,13,67,697

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

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

c. Par value of shares	10/-	10/-
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d. Number of shares outstanding at beginning of the year	75,30,500	75,30,500
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Changes during the year	-	-
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Number of shares outstanding at end of the year	75,30,500	75,30,500
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e. Restriction on disbursement of Dividend
As part of standard conditions of sanction of term loans the company requires prior permissions from the lenders to declare dividend

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

Sl. No.	Name of the Shareholder	As at 31.03.2020		As at 31.03.2019	
		No of shares	%	No of shares	%
1.	Kamala Jaju	9,02,676	11.99	9,02,676	11.99
2.	Sushma Kakani	9,52,700	12.62	9,52,700	12.62

g. The company has only one class of shares i.e. Equity Shares.

Note 11 : Other Equity (Refer Statement of changes in Other Equity)

a) Share Premium Account	10,63,18,993	10,63,18,993
b) Maharashtra State Special Capital Incentive	45,00,000	45,00,000
c) Central Subsidy	10,00,000	10,00,000
d) General Reserve	16,54,000	16,54,000
Debit balance in statement of Profit and Loss Account	1,38,02,621	-62,05,180
Total Other Equity	12,72,75,614	10,72,67,813



Rupees

Particulars	As at 31st March, 2020	As at 31st March, 2019
Note 12 : Borrowings		
Secured		
Term Loan-Yes Bank	4,53,90,985	3,52,09,385
Car Loan- Kotak Bank	12,24,312	16,39,015
Unsecured		
a) From Directors	4,54,36,825	2,47,52,592
b) Related Parties	1,95,84,002	1,85,20,400
Total	11,16,36,124	8,01,21,392
Note 13 : Provisions		
Provision for Employee Benefits	67,09,422	57,36,259
Total	67,09,422	57,36,259
Note 14 : Deffered Tax Liabilities / Assets		
Beginning of the year	67,66,653	1,42,09,831
Increase / (Decrease) in Deferred Tax liability on account of timing difference originating during the year	-10,18,235	16,61,347
Less: Adjustment of MAT credit entitlements carried forward, transfered on account of set off of brought forward losses in Income Tax, erroneously classified as balance with revenue authorities in previous year now regrouped)		-91,04,526
Net Deferred Tax Liability as on 31/03/2020	57,48,418	67,66,653
Note 15 : Borrowings		
Cash credit facility - Yes Bank (PYAndhra Bank) (The borrowing is secured by hypothecation of first charge on inventory, trade receivables, movable assets, immovable assets and guranteed by directors other than independent directors.	14,91,17,467	13,00,16,350
	-	
Total	14,91,17,467	13,00,16,350



Particulars	As at 31st March, 2020	As at 31st March, 2019
Note 16 : Trade payables		
Raw materials	27,46,54,444	27,71,09,580
Others	2,80,74,181	2,65,19,157
Total	30,27,28,625	30,36,28,737
Note 17 : Other financial liabilities		
Current maturity of long term debt	1,52,38,784	1,04,33,825
Interest accrued on borrowings	48,73,868	46,10,475
Sundry creditors for capital goods	1,19,92,319	37,24,786
Statutory liabilities	3,17,747	7,36,042
Other liabilities	2,43,17,904	54,39,807
Total	5,67,40,622	2,49,44,935



Particulars	As at 31st March, 2020	As at 31st March, 2019
Note 18 : Revenue From Operations		
Sale of finished goods	95,69,77,340	83,54,41,654
Total	95,69,77,340	83,54,41,654
Note 19 : Other Income		
Interest income	6,92,307	8,84,167
Net gain on foreign exchange transactions	4,93,544	6,16,136
Export incentives	4,76,463	
Misc. Income	60,012	3,064
Others	15,54,586	943421
Total	32,76,912	24,46,788
Note 20 : Cost of material consumed		
Opening Stock	8,25,53,606	7,28,47,934
Add: Purchases	77,79,32,468	67,91,90,567
	86,04,86,074	75,20,38,501
Less : Closing stock	8,66,66,658	8,25,53,606
Total	77,38,19,416	66,94,84,895
Note 21 : Changes in Inventories of Finished Goods & Work in Process		
(a) Opening Stock		
Finished Goods	4,54,20,085	3,13,40,615
Work-in -process	3,64,28,848	3,01,31,922
Sub- Total (a)	8,18,48,933	6,14,72,537
(b) Closing Stock		
Finished Goods	5,97,97,547	4,54,20,085
Work-in -process	2,91,62,323	3,64,28,848
Sub- Total (b)	8,89,59,870	8,18,48,933
Difference of (a) and (b) Increase (-) / Decrease(+)	(71,10,937)	(2,03,76,396)
Note 22 : Employee benefits		
Salaries,Wages and other allowances	3,03,73,069	2,88,47,184
Contribution to Provident Fund and other Funds	15,55,132	17,03,876
Staff Welfare Expenses	25,22,901	39,56,952
Total	3,44,51,102	3,45,08,012



Particulars	As at 31st March, 2020	As at 31st March, 2019
Note 23 : Finance Cost		
Banks	1,94,50,575	2,12,48,826
Others	79,78,257	68,85,849
Other borrowing cost	16,85,686	7,63,908
Total	2,91,14,518	2,88,98,583
Note 24 : Other Expenses		
Power & fuel	4,83,90,894	4,20,37,151
Consumption of stores and spares	79,50,651	66,04,745
Rent	4,80,000	4,80,000
Repairs & Maintainance		
Plant & Machinery	8,99,336	6,59,794
Building	1,42,419	63,39,155
Others	11,31,620	13,39,080
Insurance	9,15,556	5,59,577
Research & development expenses	24,83,647	31,20,209
Rates & taxes	5,39,578	11,70,721
Travelling and conveyance	31,95,641	18,74,651
Freight outward	28,25,593	18,44,918
Misc. expenses	2,64,84,703	3,09,04,786
Interest on duties and taxes paid	25,120	1,07,776
Total	9,54,64,757	9,70,42,562

Notes 1 to 24 form integral part of financial statements

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

Narendra Maddineni
Company Secretary

ICAI Memb. No 202337
Secunderabad. June 24, 2020

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