



Pharmaids Pharmaceuticals Limited

**30th Annual Report
2018-19**



BOARD OF DIRECTORS

Dr. Ghisulal Jain	Chairman & Managing Director
Ms. Seema Jain	Director
Shri Mahendra K. Ranka	Independent Director
Shri M. Sudheer Anand	Independent Director

REGISTERED OFFICE

4-4-211/212/3, 1st Floor,
Inderbagh, Sultan Bazar, Hyderabad-500 095
T.S. India E-MAIL mailpharmaids@yahoo.co.in
WEBSITE www.pharmaids.com
Tel No. 040-66669809

AUDITORS

M/s. PPKG & Company, Chartered Accountants

LISTING AT

Bombay Stock Exchange Ltd.,

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Venture Capital & Corporate Services Ltd.,
12-10-167, Bharat Nagar, Hyderabad 500018.

BANKERS

Vardhaman Mahila Co-op Urban Bank Ltd.

HDFC. Lakdika Pool

SBI, Barkatpura

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NOTICE

30th ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the Members of Pharmmaids Pharmaceuticals Limited will be held on Monday 30th September 2019 at Andhra Pradesh Chemists and Druggists Association, 5-9-262/1, King Koti, Hyderabad – 500 001 Telangana at 11.00 A.M. to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Standalone Financial Statements for the Financial Year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Seema Jain, (DIN: 07183851), who retires by rotation and being eligible, offers herself for re-appointment.

Place: Hyderabad
Date: 31/08/2019

By Order of the **Board of Directors**

CIN: L52520TG1989TLC009679

Reg.: #4-4-211/212/3,
1st Floor, Inderbagh, Sultan Bazar,
Hyderabad – 500 095.

Sd/-
Dr. Ghisulal Jain
Chairman and Managing Director
DIN: 00404983

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. Proxies in order to be effective should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution / authority, as applicable. A Blank Proxy Form is annexed hereto.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
3. Members desiring any information with regard to Accounts / Reports are requested to write to the Company at least ten days before the Meeting to enable the Management to keep the information ready at the Meeting.
4. A statement giving the details of the Director seeking reappointment under Item No. 2 of the accompanying Notice, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Secretarial Standard – 2 issued by The Institute of Company Secretaries of India, is annexed hereto.



5. 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 their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's Registrar and Share Transfer Agent /Company.
6. Pursuant to Regulation 36 of SEBI Regulations, electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes and have given positive consent to receive the Annual Report in electronic form, unless any member has requested for a physical copy copies of the Annual Report for 2018-19 are being sent in the permitted mode.
7. Electronic copy of the Notice of the 30th AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 30th AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Forms is being sent in the permitted mode.
8. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Regulations, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e- voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 30th AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
9. The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 30th AGM. The members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Shri Kashinath Sahu, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions to members for voting electronically are as under: -

(The voting period begins on Friday 27th September 2019 at 9.00 a.m. and ends on Sunday 29th September, 2019 at 5.00 p.m. During this period shareholders of the Company, holding share either in physical form or in dematerialized form, as on the cut – off date of 20th September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (I) Members holding shares in physical or in demat forms as on 20th September 2019 shall only be eligible for e-voting.
- (II) The shareholders should log on to the e-voting website www.evotingindia.com
- (III) Click on Shareholders.
- (IV) Now Enter You User ID
 - (a) For CDSL: 16 digits beneficiary ID.



- (b) For NSDL:8 Character DPID followed by 8 Digits Client ID.
- (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (V) Next enter the Image Verification as displayed and Click on Login.
- (VI) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (VII) If you are a first time user following the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (VIII) After entering these details appropriately, click on "SUBMIT" tab.
- (IX) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will not reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e- voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (X) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (XI) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (XII) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (XIII) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (XIV) After selecting the Resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (XV) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- (XVI) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (XVII) If Demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as promoted by the system.
- (XVIII) Note for Non-Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdsindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdsindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (XIX) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTH COMING****ANNUAL GENERAL MEETING [In pursuance of SEBI [Listing Obligations and Disclosure Requirements) Regulations, 2015]**

Name of the Director	Seema Jain
DIN	07183851
Date of Birth	17/03/1989
Age	30
Date of first appointment on the Board	30/03/2015
Qualifications	Graduate
Experience	5 Years
Terms and Conditions of Appointment	Liable to retire by rotation. Offered herself for reappointment
Nature of Expertise in specific functional areas	Rich experience of over5 years in administration
Remuneration last drawn	Nil
Number of Meetings of the Board attended during the year	5
Inter-se relationship with other Directors and Key Managerial Personnel	Daughter in Law of Dr. Ghisulal Jain, Chairman and Managing Director.
List of Directorship / Membership /	-
Chairmanship of Committees of other Board	NA
Shareholding in Pharmajids Pharmaceuticals Limited	25875

Place: Hyderabad

Date:31/08/2019

CIN: L52520TG1989TLC009679

Reg.: # 4-4-211/212/3,

1st Floor, Inderbagh, Sultan Bazar,

Hyderabad – 500 095.

By Order of the **Board of Directors**

Sd/-

Dr. Ghisulal Jain

DIN: 00404983

Chairman and Managing Director

Sd/-

Seema Jain

Director & CEO

(DIN No.07183851)



DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting the 30th Annual Report of the Company, together with the financial statements, for the year ended March 31, 2019.

Financial Results	(Rs. In Lakhs)	
PARTICULARS	2018-19	2017-18
Sales	48.10	44.91
Other Income	0.52	2.01
Total Income	48.62	46.92
Total expenses	63.39	83.77
Profit / (loss) before Tax	(14.77)	(36.76)
Current Year Tax	-	1.73
Deferred Tax	-	(0.02)
Tax expenses of Discontinued Operations	(3.70)	-
Profit / (loss) after Tax	(18.47)	(38.57)

Company Performance

The sales of your Company increased from Rs. 44.91 Lakhs to Rs. 48.10 Lakhs as compared to last year. The Company has suffered losses of Rs. 18.47 Lakhs as against the losses of Rs. 38.57 Lakhs incurred during the previous fiscal year. The Company is in the process of exploring new products and new markets in north & west India and is confident of doing good business and wipe out its losses and start making profits in the years to come.

Transfer to Reserves

The Company has incurred losses as such no profits available for transfer to the General Reserve.

Dividend

In view of the losses the Board of Directors could not recommend any dividend for the year.

Finance

Cash and cash equivalents as at March 31, 2019 were Rs. 10,67,500. The Company continues to focus on judicious management of its working capital, receivables, and inventories. Other working capital parameters were kept under strict check through continuous monitoring.

Share Capital

There was no change in Capital Structure of the Company. The Authorized share capital of the Company was Rs. 40,000,000/- divided into 4000000 Equity Shares of Rs. 10/- each and the Paid up Share Capital was Rs. 33,630,850/- divided into 3363085 Equity Shares of Rs. 10/- each.



Fixed Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Director's Responsibility Statement

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Seema Jain will retire by rotation at the ensuing Annual General Meeting, and being eligible offers herself for re-appointment in accordance with the provisions of the Companies Act, 2013.

During the year under review, there were no changes that took place on the Board and Key Managerial Personnel of the Company.

The following changes in Key Managerial Personnel took place after the financial year March 31, 2019 till the date of this Annual Report:

Sr. No.	Name of KMP	Type of Change	w.e.f
1.	Sadhanala Venkat Rao	Appointed as Company Secretary	13.06.2019
2.	Chilam Srikanth	Appointed as Chief Financial Officer	13.06.2019

Policy for selection of Directors and determining Directors' Independence

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Policy:

Qualifications and criteria



- i. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have aboard with diverse background and experience that are relevant for the Company's operations.
- ii. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
 - General understanding of the company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- iii. The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3. Criteria of Independence

- i. The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- ii. The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and the Equity Listing Agreement.
- iii. The Independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4. Other Directorships/ Committee Memberships

- i. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The NR Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- ii. A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- iii. A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- iv. A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committees across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.



Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Policy:

- i. Remuneration to Executive Director and Key Managerial Personnel
- ii. The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company with in the overall approved by the shareholders.
- iii. The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- iv. The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:
 - (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retrial benefits
 - (vi) Annual performance Bonus
- v. The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual Performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3. Remuneration to Non – Executive Directors

- i. The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the Companies Act.
- ii. Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

4. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Declaration from Independent Directors on Annual Basis

The Company has received a declaration from Mr. Mahendra K Ranka and Mr. M Sudheer Anand, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.



Nature of business

There has been no change in the nature of business of the Company.

Auditors

STATUTORY AUDITORS

M/s. PPKG & Co, Chartered Accountants (Firm Registration No. 0096555) were appointed as the statutory auditors of the Company by the members in their 29th AGM held on September 28, 2018 and shall hold office until the conclusion of 33rd Annual General Meeting.

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

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption is attached herewith as “**Annexure A**”.

Foreign Exchange Earnings and Outgo: During the period under review there was no foreign exchange earnings or out flow.

Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed a Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as “**Annexure B**”.

During the year under review, there were no instances of frauds or any qualification, reservation or adverse remark reported by Secretarial auditor under Section 204 of the Companies Act, 2013 in the course of the performance of his duties as Secretarial auditor.

Auditors' Report

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

During the year under review, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013 in the course of the performance of his duties as statutory auditor.

Extract of Annual Return

The extract of Annual Return as on March 31, 2019 in the prescribed Form No: MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as “**Annexure – C**” and forms part of this Report.

Number of Meetings of the Board

During the year ended March 31, 2019, Five Board Meetings were held on 05/05/2018, 18/07/2018, 13/08/2018, 13/11/2018 and 12/02/2019.

Directors' attendance record:

Name of the Director	No. Board Meetings held during the year	No. Board Meetings attended during the year
Dr. Ghisulal Jain	5	5
Mahendra Kumar Ranka	5	5
M. Sudheer Anand	5	5
Seema Jain	5	5



Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

The Company has not given any loans provided guarantee of made any investments during the year 2018-2019.

Contracts or arrangements with Related Parties under Section 188(1) of the Companies Act, 2013

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and company's operations in future

The proposed Scheme of Amalgamation of M/s. Emergent Bio Naturals Limited (Transferor Company) into M/s. Pharmaids Pharmaceuticals Limited (Transferee Company) pursuant to section 230 to 232 of the Companies Act, 2013 is pending for approval before the NCLT, Hyderabad Bench.

Subsidiary Companies, Associates and Joint Venture Companies

The Company does not have any subsidiary, Associate and Joint Venture Company.

Internal Control Systems and Their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners under take corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board

Industrial Relations

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

Business Risk Management

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

At present the company has not identified any element of risk which may threaten the existence of the company.

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2019 and 31-08-2019 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2019) and the date of the Report (31-08-2019).



Audit Committee

- I. The audit committee of the Company is constituted in line with the regulations of SEBI Listing Obligations and Disclosure Requirement, 2015 read with Section 177 of the Act.
- II. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:
 - overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
 - reviewing and examination with management the quarterly financial results before submission to the Board;
 - reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
 - review management discussion and analysis of financial condition and results of operations;
 - scrutiny of inter-corporate loans and investments made by the Company;
 - reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
 - reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
 - approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
 - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
 - reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
 - recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
 - reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
 - evaluating internal financial controls and risk management systems;
 - valuating undertaking or assets of the Company, wherever it is necessary;
 - reviewing the functioning of the Whistle Blowing mechanism;
- III. The previous annual general meeting (AGM) of the Company was held on 28.09.2018 and was attended by Mr. Mahendra K Ranka, Chairman of the audit committee.
- IV. The composition of the audit committee and the details of meetings attended by its members are given below:



Name	Category	No. of Meetings held	No. of Meetings attended
Mahendra K Ranka	Independent, Non-Executive	5	5
M Sudheer Anand	Independent, Non-Executive	5	5
Seema Jain	Non-Independent and Executive	5	5

- V. Five audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

05/05/2018, 18/07/2018, 13/08/2018, 13/11/2018, 12/02/2019.

Nomination and Remuneration Committee

- I. The broad terms of reference of the nomination and Remuneration Committee are asunder:
- Recommend to the board the set up and composition of the board and its committees. including the *“formulation of the criteria for determining qualifications, positive attributes and independence of a director”*. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
 - Recommend to the board the appointment or reappointment of directors.
 - Devise a policy on board diversity.
 - Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
 - Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include *“formulation of criteria for evaluation of independent directors and the board”*.
 - Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
 - On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company
 - Oversee familiarization programs for directors.
 - Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).
 - Provide guidelines for remuneration of directors on material subsidiaries.
 - Recommend to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
 - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- II. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

Name	Category
Mahendra Kumar Ranka	Independent, Non-Executive
M Sudheer Anand	Independent, Non-Executive
Seema Jain	Non-Independent & Executive

During the year, no meeting of the nomination and remuneration committee was held.



III. The Company does not have any employee stock option scheme.

IV. Remuneration Policy

The Nomination and Remuneration Committee shall ensure that –

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

V. Details of Remuneration paid to Directors

The details of remuneration paid to the Executive and Non-Executive Directors for the financial year 2018-2019 are given below:

Dr. Ghisulal Jain (Managing Director) has drawn a remuneration of Rs. 1,50,000/- for the year ended 31.03.2019.

Stakeholders Relationship Committee

- i. The Committee is responsible, inter alia, to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non- receipt of balance sheet, non-receipt of declared dividends etc.,
- ii. One meeting of the stakeholders' relationship committee was held during

The year on 13.08.2018

- iii. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings held	No. of Meetings attended
Mahendra Kumar Ranka	Independent, Non-Executive	1	1
M Sudheer Anand	Independent, Non-Executive	1	1
Seema Jain	Non-Independent & Executive	1	1

- iv. Name, designation and address of Compliance Officer:

Sadhanala Venkat Rao, Compliance Officer, Reg.: #4-4-211/212/3, 1st Floor, Inderbagh, Sultan Bazar, Hyd-500095

- v. Details of Complaints/ Requests received, resolved and pending during the Financial Year 2018-19:

During the Quarter	Received	Resolved	Pending
June Qtr	Nil	Nil	Nil
Sep. Qtr	Nil	Nil	Nil
Dec. Qtr	Nil	Nil	Nil
March Qtr	Nil	Nil	Nil

Vigil mechanism

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.



Formal Annual Evaluation

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 13.08.2018 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors.

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

Corporate Governance and Shareholders Information

Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance is Not Applicable.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in Directors' Report.

The Company continues its focus on retention through employee engagement initiatives and provides a holistic environment where employees get opportunities to realize their potential.

Listing Arrangement

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd., (B S E). The listing fee, for the year 2018-19 has been paid to the Exchange.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to our company.



Disclosure about Cost Audit

Cost Audit is not applicable to your Company.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prevention of insider trading and the Code for Corporate Disclosures (“Code”), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees.

The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of Pharmasud Pharmaceuticals Limited at the time when there is unpublished price sensitive information.

Policy on Preservation of the Documents

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) on Preservation of the Documents to ensure safe keeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

Obligation of Company under the Sexual Harassment of Women at Workplace

(Prevention, Prohibition and Redressal) Act, 2013

In order to prevent Sexual Harassment of Women at Workplace a new act “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” has been notified on 9th December, 2013. Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. The Company has adopted “Anti-Sexual Harassment Policy” constituted “Redressal Committee” as required under section 4 (1) of Sexual harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint of harassment at the workplace was received by the Committee.

Acknowledgements

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

Place: Hyderabad

By Order of the **Board of Directors**

Date: 31/08/2019

CIN: L52520TG1989TLC009679
Reg.: # 4-4-211/212/3, 1st Floor,
Inderbagh, Sultan Bazar,
Hyderabad – 500 095.

Sd/-
Dr. Ghisulal Jain
DIN: 00404983
Chairman and Managing Director

Sd/-
Seema Jain
Director & CEO
(DIN No.07183851)



“ANNEXURE A”

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A. Conservation of energy

POWER & FUEL CONSUMPTION

	Current Year	Previous Year
1. Electricity (Purchased) units	4268	5364
Total Amount (Rs.)	34,147	42,914
Rate per Unit (Rs.)	8	8
2. Electricity (Generated) units	-	-
Total Amount (Rs.)	-	-
Rate per Unit (Rs.)	-	-
3 Total Units consumed	-	-
Units consumed in per lac production	-	-

a) Company ensures that the manufacturing operations are conducted in the manner where by optimum utilization and maximum possible savings of energy is achieved.

b) No specific investment has been made in reduction in energy consumption.

c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

B. Technology Absorption

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore, no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire activities are directed to achieve the aforesaid goal.

C. Foreign Exchange Earning and Outgo

	Current Year Rs	Previous Year Rs
Previous Year Rs.	-	-
Earnings	-	-
Outgo	-	-

Place: Hyderabad

Date:31/08/2019

CIN: L52520TG1989TLC009679

Reg.: # 4-4-211/212/3,

1st Floor, Inderbagh, Sultan Bazar,
Hyderabad – 500 095.By Order of the **Board of Directors**

Sd/-
Dr. Ghisulal Jain
DIN: 00404983
Chairman and Managing Director

Sd/-
Seema Jain
Director & CEO
(DIN No.07183851)



**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL
OF COMPLIANCE WITH THE CODE OF CONDUCT:**

To,
The shareholders

I, Ghisulal Jain, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

Place: Hyderabad

Date: 31/08/2019

CIN: L52520TG1989TLC009679
Reg.: # 4-4-211/212/3, 1st Floor,
Inderbagh, Sultan Bazar,
Hyderabad – 500 095.

By Order of the **Board of Directors**

Sd/-
Dr. Ghisulal Jain
DIN: 00404983
Chairman and Managing Director



“ANNEXURE B”

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2019

(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,
Pharmaids Pharmaceuticals Limited Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pharmaids Pharmaceuticals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Pharmaids Pharmaceuticals Limited for the financial year ended on 31st March, 2019 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Not applicable to the company during the Audit period].
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (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; [Not applicable to the company during the Audit period]
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable to the company during the Audit period].
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; [Not applicable to the company during the Audit period].
 - (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: [Not applicable to the company during the Audit period] and



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable to the company during the Audit period].
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
1. Factories Act, 1948
 2. Payment of Wages Act, 1936, and Rules made thereunder,
 3. The Minimum Wages Act, 1948, and Rules made thereunder,
 4. Employees' State Insurance Act, 1948, and Rules made thereunder,
 5. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and Rules made thereunder,
 6. Drugs and Cosmetics Act, 1940.
 7. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954.
 8. Narcotic Drugs and Psychotropic Substances Act, 1985.
 9. The Trade Marks Act, 1999.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- (iii) I report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above herein.
- (iv) I further report that, the compliance by the Company of applicable finance laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subjected to review by statutory financial audit and other designated professionals.

I further report that, the status of the Company in the MCA website is Active – Non Compliant as the Company is yet to file Form INC 22A to make the Company ACTIVE COMPLIANT

I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive, Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.
- b. 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 of the meeting.
- c. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the review of the compliance reports and the certificates of Company Secretary/ Managing Director taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

Place: Hyderabad
Date: 22.08.2019

Sd/-
Kashinath Sahu
Practicing Company Secretary
FCS: 4790 CP: 4807

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



'ANNEXURE A'

To,
The Members,
Pharmaids Pharmaceuticals Limited,
Hyderabad

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, we followed provide are as on able basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My 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: 22.08.2019

Sd/-
Kashinath Sahu
Practicing Company Secretary
FCS: 4790 CP: 4807



ANNEXURE C
Form No. MGT – 9 EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
i) CIN	L52520TG1989PLC009679
ii) Registration Date	01/03/1989
iii) Name of the Company	PHARMAIDS PHARMACEUTICALS LIMITED
iv) Category/Sub-Category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v) Address of the Registered office and contact details	4-4-211/212/3, INDER BAGH, SULTAN BAZAR, HYDERABAD – 500 095, TELANGANA. Ph : 040-27562126
vi) Whether listed company	YES (BSE)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s VENTURE CAPITAL & CORPORATE INVESTMENTS PRIVATE LIMITED 10-167, BHARAT NAGAR, HYDERABAD – 500 018 Ph: 040 – 23818475 / 23818476

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: -

Sl.No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	MANUFACTURING OF AYURVEDIC MEDICINES	3043	10.89 %
2	TRADING OF ALLOPATHIC MEDICINES	6150	89.11 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
—	—	—	—	—	—



IV. SHAREHOLDING PATTERN(Equity Share Capital Break up as percentage of Total Equity)

j) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	227328	0	227328	6.68	226328	0	226328	6.65	-0.03
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp	—	—	—	—	—	—	—	—	—
e) Banks / FI's	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub Total (A)(1)	227328	0	227328	6.68	2263288	0	226328	6.65	-0.03
(2) Foreign	—	—	—	—	—	—	—	—	—
a) NRI – Individuals	—	—	—	—	—	—	—	—	—
b) Other – Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub Total (A)(2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter(A)=(A)(1)+(A)(2)	227328	0	227328	6.68	2263288	0	226328	6.65	-0.03
B. PUBLICSHAREHOLDING									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt (s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Fund	—	—	—	—	—	—	—	—	—
i) Others	—	—	—	—	—	—	—	—	—
Sub Total (B)(1)	—	—	—	—	—	—	—	—	—
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	56688	1000	57688	1.69	63406	1000	64406	1.89	+0.20
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	1903687	883606	2787293	81.85	1676457	816076	2492533	73.19	-8.66
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	166328	155645	321973	9.45	401560	208075	609635	17.90	+8.45
c) Others									
i) Clearing Members	3589	0	3589	0.11	4769	0	4769	0.14	+0.03
ii) Non Resident Individuals	7629	0	7629	0.22	7829	0	7829	0.23	+0.01
Sub Total (B)(2)	2137921	1040251	3178172	93.32	2154021	1025151	3179172	93.35	+0.03
Total Public Shareholding (B) = (B)(1) + (B)(2)	2137921	1040251	3178172	93.32	2154021	1025151	3179172	93.35	+0.03
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	—	—	—	—	—	—	—	—	—
GRAND TOTAL (A+B+C)	2365249	1040251	3405500	100	2380349	665151	3405500	100	—



ii) Share Holding of promoters

Amount in Rs.

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	KANT RAO	7300	0.21	—	7300	0.21	—	—
2	B VENKATASWAMY	6070	0.15	—	6070	0.15	—	—
3	GHSULAL R JAIN	32844	0.96	—	32844	0.96	—	—
4	PRASHANT H DAVE	10459	0.31	—	10459	0.31	—	—
5	MADHUKUMARIBHARAT KITAWAT	1000	0.03	—	1000	0.03	—	—
6	GHSULAL JAIN	18030	0.53	—	18030	0.53	—	—
7	VEENA LAL WANI	15645	0.46	—	15645	0.46	—	—
8	BABULAL JAIN	6321	0.19	—	6321	0.19	—	—
9	SUBHASH B LAL WANI	16400	0.48	—	16400	0.48	—	—
10	SURESH KUMAR	1000	0.03	—	1000	0.03	—	—
11	PUSHPA DAVE HARIPRASAD DAVE	5357	0.16	—	5357	0.16	—	—
12	UMADEVI BABULAL JAIN	5452	0.16	—	5452	0.16	—	—
13	UTTAM P JAIN	1000	0.03	—	1000	0.03	—	—
14	UPPDESH KUMAR	779	0.02	—	779	0.02	—	—
15	ASHA SHAILESH JAIN SHAILESH H JAIN	1000	0.03	—	—	—	—	-0.03
16	ABHILEKHA JAIN	44145	1.30	—	44145	1.30	—	—
17	SUREKHA PRASHANT DAVE	8200	0.24	—	8200	0.24	—	—
18	ABHISHEK JAIN	14651	0.43	—	14651	0.43	—	—
19	SATISH CHAND	13600	0.4	—	13600	0.4	—	—
20	JAYSHREESAN JAYPATNI SANJAY BIRDICHANDPATNI	18075	0.53	—	18075	0.53	—	—
	Total	227328	6.68	—	226328	6.65	—	-0.03

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year (as on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018– 31-03-2019)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	ASHA SHAILESH JAIN SHAILESH H JAIN				
	AT THE BEGINNING OF THE YEAR	1000	0.03	1000	0.03
	DECREASE	1000	0.03	-	-
	AT THE END OF THE YEAR	-	-	-	-

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year [01-04-2018]		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year [31-03-2019]	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	MANJULA LALWANI	57420	1.69				57420	1.69
2	SUREKHA P DAVE	47840	1.40				47840	1.40
3	ANIL VISHANJIDEDHIA / SANDHYA ANIL DEDHIA	35000	1.03				35000	1.03



Sl. No.		Shareholding at the beginning of the year [01-04-2018]					Cumulative Shareholding during the year [31-03-2019]	
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease	Reason	No. of Shares	% of total Shares of the company
4	AJAY GUPTA	32601	0.96	Nil Movement during the year			32601	0.96
5	SHOUNAK PRADEEPTHAKER/ RASIKLAL LABHSHANKER THAKER	28387	0.83	Nil Movement during the year			28387	0.83
6	AJAY DAVE	25775	0.75	Nil Movement during the year		25775	0.76	
7	PREMCHAND SURANA HUF .	-	-	27/07/2018	3000	Increase	3000	0.09
				03/08/2018	8621	Increase	11621	0.34
				10/08/2018	8107	Increase	19728	0.58
				17/08/2018	2575	Increase	22303	0.65
				24/08/2018	110	Increase	22413	0.66
				31/08/2018	3200	Increase	25613	0.75
8	SUDHIR N KALPANA S	22500	0.66	Nil Movement during the year		22500	0.66	
9	B. VENKATA SWAMY	21200		Nil Movement during the year		21200		
10	STEEL CITY SECURITIES LIMITED	500	0.01	11/01/2019	10000	Increase	10500	0.31
				08/02/2019	7825	Increase	18325	0.54
				08/03/2019	21	Increase	18346	0.54

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.		Shareholding at the beginning of the year [01-04-2018]					Cumulative Shareholding during the year [31-03-2019]	
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease	Reason	No. of Shares	% of total Shares of the company
A	Directors							
1	Dr Ghisulal Jain	18030	0.53	—	—	—	18030	0.53
2	Seema Jain	25875	0.76	—	—	—	25875	0.76
3	Mahendra Kumar Ranka	—	—	—	—	—	—	—
4	M Sudheer Anand	—	—	—	—	—	—	—
B.	Key Managerial Personnel	—	—	—	—	—	—	—

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	—	—
Change in Indebtedness during the financial year				
Addition	—	—	—	—
Reduction	—	—	—	—
Net Change	—	—	—	—
Indebtedness at the end of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	—	—



VII. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Dr.Ghisulal Jain		
1.	Gross salary(a) Salaryas per provisions contained in section 17(1) of theIncome-tax Act, 1961	150,000	—	150000
	(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 (A)	150000	—	150000
	Ceiling as per the Act	—		

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
		---	---	---	---	
1.	Independent Directors Fee for attending board committee meetings Commission% Others, please specify					
	Total (1)					
2.	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	Nil				
	Total (2)					
	Total (B) = (1+2)					
	Total Managerial Remuneration					
	overall Ceiling as per the Act					



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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel
1.	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(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	—

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

Place: Hyderabad

Date: 31/08/2019

CIN: L52520TG1989TLC009679

Reg.: # 4-4-211/212/3, 1st Floor, Inderbagh, Sultan Bazar, Hyderabad – 500 095.

By Order of the Board of Directors

Sd/-
Dr. Ghisulal Jain
Chairman and Managing Director
DIN: 00404983

Sd/-
Seema Jain
Director & CEO
(DIN No.07183851)



Independent Auditor's Report

To the Members of
Pharmajays Pharmaceuticals Limited
Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Pharmajays Pharmaceuticals Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. 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('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (Financial position) of the Company as at 31st March, 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, 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 Matter

4. 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.
5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter

Carrying value of Investment in Associate entity.
Significant Change in Management of the Company

How our Audit addressed the key audit matter

As informed to us, The Company is into Amalgamation with Emergent Bio Naturals Limited.
However Pharmajays Pharmaceuticals limited will continue its operations in its own name under new management.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, 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 will 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 in the 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 for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.
8. In Preparing the Financial Statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

10. 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 Financials that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 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.
 - 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 Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - 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.

- 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.
12. 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.
 13. 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.
 14. 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

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as



on 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per Annexure B expressed unmodified opinion; and

- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **PPKG & Co**
Chartered Accountants
Firm's Registration No.: 009655S

Sd/-
Girdhari Lal Toshniwal Partner
Membership No.: 205140

Place: Hyderabad
Date: 27th May 2019

Annexure A to the Independent Auditor's Report of even date to the members of Pharmaids Pharmaceuticals Limited, on the financial statements for the year ended 31st March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, no material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.



- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of The Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, as informed to us the provision of sec 148(1) are not applicable.
- (vii) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to financial institutions or government and does not have any outstanding debentures during the year.
- (ix) In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments)
- (x) 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management
- (xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of the clause 3(xiv) of the order are not applicable.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **PPKG & Co**
Chartered Accountants
Firm's Registration No.: 009655S

Sd/-
Girdhari Lal Toshniwal
Partner
Membership No.: 205140

Place: Hyderabad
Date: 27th May, 2019



Annexure B to the Independent Auditor's Report of even date to the members of Pharmajeeva Pharmaceuticals Limited, on the financial statements for the year ended 31st March 2019

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

1. In conjunction with our audit of the financial statements of Pharmajeeva Pharmaceuticals Limited ('the Company') as at and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR include 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, 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 issued by the ICAI.

For **PPKG & Co**
Chartered Accountants
Firm's Registration No.: 009655S

Sd/-
Girdhari Lal Toshniwal
Partner
Membership No.: 205140

Place: Hyderabad
Date: 27th May, 2019

**BALANCE SHEET AS AT MARCH 2019**

(Amount in Rupees)

Particulars	Note No	As at 31 March 2019	As at 31 March 2018
ASSETS			
1 Non-current assets			
Property, plant and equipment	3	24,884	22,512
Financial assets			
- Non-Current Assets		-	-
- Long-term loans and advances	4	43,35,842	48,80,256
- Others			
Deferred tax assets (Net)	5	(3,67,928)	1,816
Other non-current assets	6	-	5,30,000
2 Current assets			
Inventories	7	-	-
Financial assets			
- Trade and other receivables	8	53,62,208	51,55,587
- Cash and cash equivalents	9	10,67,500	23,63,716
- Short term loans and advances	10	-	-
Other current assets	11	-	-
TOTAL ASSETS		1,04,22,506	1,29,53,888
1 EQUITY AND LIABILITIES			
Equity			
Share capital	12	3,36,30,850	3,36,30,850
Other equity	13		
- Equity component of other financial instrument			
- Retained earnings		(2,50,57,639)	(2,32,10,753)
2 Share application money pending allotment			
Non-current liabilities			
Financial liabilities			
- Long term borrowings	14	-	-
Long term provisions	15	-	-
Deferred tax liabilities (Net)	16	-	-
Other non-current liabilities	17	-	2,52,375
Current liabilities			
Financial liabilities			
- Short term borrowings	18	-	-
- Trade and other payables	19	15,96,033	18,47,985
Other current liabilities	20	2,53,262	4,33,430
Short-term provisions	21	-	-
TOTAL EQUITY AND LIABILITIES		1,04,22,506	1,29,53,888

See accompanying notes to the financial statements

1 to 38

As per our report of even date attached

For **PPKG & Co.**

Chartered Accountants

Firm Registration No.: 009655S

For **Pharmaids Pharmaceuticals Limited**

Sd/-

Dr. Ghisulal Jain

Chairman and Managing Director

(DIN: 00404983)

Sd/-

Girdhari Lal Toshniwal

Partner

Membership No.: 205140

Sd/-

Seema Jain

Director & CEO

(DIN No.07183851)

Place: Hyderabad

Date: 27/05/2019

**Statement of Profit and Loss for the year ended 31st March 2019**

(Amount in Rupees)

Particulars	Note No	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	22	48,10,000	44,91,436
Other income	23	52,426	2,00,717
Total revenue		48,62,426	46,92,153
Expenses			
Cost of materials consumed		-	3,46,861
Purchase of stock-in-trade		35,62,000	24,18,509
Changes in inventories of finished goods, work in progress and stock-in-trade	24	-	21,78,825
Employee benefit expenses	25	2,83,238	6,29,832
Finance cost	26	5,194	14,043
Depreciation and amortisation expense	3	14,528	10,888
Other expenses	27	24,74,608	27,78,939
Total expenses		63,39,568	83,77,898
Profit/ (loss) before exceptional items and tax		(14,77,142)	(36,85,745)
Exceptional items		-	-
Profit/ (loss) before tax		(14,77,142)	(36,85,745)
Tax expenses	28	3,69,745	1,71,645
Profit/ (loss) for the period from continuing operations		(18,46,886)	(38,57,390)
Profit/ (loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/ (loss) from discounting operations (after tax)		-	-
Profit/ (loss) for the period		(18,46,886)	(38,57,390)
Other comprehensive income			
Total comprehensive income for the period (Profit/ loss + other comprehensive income)		(18,46,886)	(38,57,390)
Earnings per equity share (for continuing operations)			
a) Basic		(0.54)	(1.13)
b) Diluted		(0.54)	(1.13)
Earnings per equity share (for discontinued operations)			
a) Basic		-	-
b) Diluted		-	-
Earnings per equity share (for discontinued & continuing operations)			
a) Basic		(0.54)	(1.13)
b) Diluted		(0.54)	(1.13)

See accompanying notes to the financial statements 1 to 38

As per our report of even date attached

For **PPKG & Co.**

Chartered Accountants

Firm Registration No.: 009655S

For **Pharmaids Pharmaceuticals Limited**

Sd/-

Dr. Ghisulal JainChairman and Managing Director
(DIN: 00404983)

Sd/-

Girdhari Lal Toshniwal

Partner

Membership No.: 205140

Sd/-

Seema Jain

Director & CEO

(DIN No.07183851)

Place: Hyderabad

Date: 27/05/2019

**Cash Flow statement for the year ended 31st March 2019**

(Amount in Rupees)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. Cash Flow from Operating activities:		
Net Profit after Interest & Depreciation but before Tax	(14,77,142)	(36,85,745)
Depreciation	14,528	10,888
Interest paid	-	-
Interest received	(51,426)	(2,00,717)
Loss on Sale of Fixed Assets	-	-
Profit on Sale of Assets / Investments	-	-
Bad Debts Written Off	-	-
Deferred Tax	3,69,285	-
Operating Profit before working capital changes	(11,44,756)	(38,75,574)
Adjustments for:		
Trade and Other Payables	(2,51,950)	(26,29,867)
Inventories	-	24,45,711
Trade receivables	(2,06,621)	27,21,319
Loan and advances	-	-
Other Assets	5,30,000	(5,30,000)
other current liability	(1,80,168)	(90,011)
Cash generated from operations	(12,53,495)	(19,58,421)
Add: Income Tax paid	(3,69,285)	(1,73,461)
Miscellaneous Expenditure	-	-
Net Cash flow from Operating activities (before & after extraordinary items) " A "	(16,22,780)	(21,31,882)
B. Net Cash from Investing activities :		
(Purchase) / Sale of fixed assets	(16,900)	(33,400)
Capital Work in Progress	-	-
Increase in Creditors for Capital Goods	-	-
(Purchase) / Sale of investments	-	-
Interest received	51,426	2,00,717
investment in vardhaman bank(dividend income)	-	-
Sale of Fixed Assets	-	-
Sale of Investments	-	-
Long Term Loans and Advances	5,44,414	(10,84,742)
Net cash flow from Investing activities " B "	5,78,940	(9,17,425)
C. Cash Flow from Financing activities		
Issue of Share Capital	-	-
Bank borrowings & Unsecured Loan	(2,52,375)	(6,74,038)
Dividend and Dividend Distribution Tax Paid	-	-
Interest paid	-	-
Net Cash flow from Financing activities " C "	(2,52,375)	(6,74,038)
D. Net (Decrease) / Increase in Cash and Cash Equivalents (A + B + C)	(12,96,216)	(37,23,345)
Cash and Cash Equivalents at the beginning	23,63,716	60,87,061
Cash and Cash Equivalents at the end	10,67,500	23,63,716

As per our report of even date attached

For **Pharmaids Pharmaceuticals Limited**

For **PPKG & Co.**
Chartered Accountants
Firm Registration No.: 009655S

Sd/-
Dr. Ghisulal Jain
Chairman and Managing Director
(DIN: 00404983)

Place: Hyderabad
Date: 27/05/2019

Sd/-
Girdhari Lal Toshniwal
Partner
Membership No.: 205140

Sd/-
Seema Jain
Director & CEO
(DIN No.07183851)



Statement of changes in equity for the year ended 31 March 2019

Amount in INR lakhs

For the year ended 31 March 2018					
Particulars	Share Capital	Reserves and Surplus			Total equity
		Capital redemption reserve	Retained Earnings	Capital Reserve	
Balance as at 1 April 2017	336.31	-	(193.53)	-	142.77
Total comprehensive income for the year ended 31 March 2018	-	-	(38.57)	-	(38.57)
Other comprehensive income (net of tax) (refer note 23)	-	-	-	-	-
Balance as at 31 March 2018	336.31	-	(232.11)	-	104.21
Transactions recorded directly in equity					
Contributions and distributions:					
Nil	-	-	-	-	-
Balance as at 31 March 2018	336.31	-	(232.11)	-	104.21
For the year ended 31 March 2018					
Particulars	Share Capital	Reserves and Surplus			Total equity
		Capital redemption reserve	Retained Earnings	Capital Reserve	
Balance as at 1 April 2018	336.31	-	(232.10)	-	104.21
Total comprehensive income for the year ended 31 March 2019	-	-	(18.47)	-	(18.47)
Other comprehensive income (net of tax) (refer note 23)	-	-	-	-	-
Balance as at 31 March 2018	336.31	-	(250.57)	-	85.74
Transactions recorded directly in equity					
Contributions and distributions:					
Nil	-	-	-	-	-
Balance as at 31 March 2019	336.31	-	(250.57)	-	85.74

For **PPKG & Co.**
Chartered Accountants
Firm Registration No.: 009655S

For **Pharmaids Pharmaceuticals Limited**

Sd/-
Dr. Ghisulal Jain
Chairman and Managing Director
(DIN: 00404983)

Place: Hyderabad
Date: 27/05/2019

Sd/-
Girdhari Lal Toshniwal
Partner
Membership No.: 205140

Sd/-
Seema Jain
Director & CEO
(DIN No.07183851)



NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

FOR THE YEAR ENDED 31ST MARCH 2019

1. Company Background

Pharmajays Pharmaceuticals Limited (“the Company”) is a public limited company domiciled and incorporated in India in accordance with the provisions of the Companies Act, 1956. The registered office of the Company is located at 4-4-211/212/3, Inderbagh, Sulthan Bazar, Hyderabad, Telangana. The equity shares of the Company are listed on the Bombay Stock Exchange.

The Company is engaged in the business of manufacturing of Bulk Drugs and Intermediaries. The Company has manufacturing facilities in India which caters to both domestic and international markets.

These financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 27th May 2019.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Ind AS

The Financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the “Act”) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis under the historical cost basis except for the following:

- Certain Financial assets and liabilities which are measured at fair value.
- Defined benefit plans – plan assets measured at fair value; and
- Contingent Consideration

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.

- **Ind AS 116, Leases:**

Ind AS 116 removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability (the obligation to pay rentals). An optional exemption exists for short-term and low value leases. The standard may not have a significant impact on the financial statements considering the number of assets under operating lease arrangement as at 31 March 2019. On implementation of Ind AS 116, the operating lease charges will be replaced with interest and depreciation expenses. These changes will affect key ratios like profit margin, operating margin, EBITDA margin etc. Further, operating cash flows portion of the lease liability will be classified with in financing activities.

The effect on adoption of Ind AS 116 would be insignificant in the financial statements.



- **Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments:**

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount of the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax.

The standard permits two possible methods of transition:
 - Full retrospective approach – Under this approach Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hind sight, and
 - Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives
- The Group is currently assessing the detailed financial impact of this standard on its financial statements.
- **Amendment to Ind AS 12, Income Taxes:**

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1st April 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

(iv) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.



(v) Rounding of amounts

All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III, unless otherwise stated.

2.2 Properties, plant and equipment (PPE) Recognition and initial measurements

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its Working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Depreciation method, estimated useful lives and residual values

The classification of Plant and equipment into continuous and non-continuous process is done as per technical certification and depreciation there on is provided accordingly.

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

Cost of the lease hold land is amortized on a straight-line basis over the term of the lease.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-Recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the other income/other expenses when the asset is derecognized.

2.3 Intangible Assets

Recognition and initial measurement

Intangible assets (including software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Amortisation method and period

Computer software is amortised on a pro-rata basis using the straight-line method over its estimated useful life of 3 years from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.4 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group or assets (cash-generating units). The Company's corporate assets (eg. Central office building for providing support to CGUs) do not generate independent cash flows. To determinate impairment of corporate assets, recoverable amount is determined for the CGUs to which the corporate assets belongs.



2.5 Inventories

Stores & Spares are valued at cost or at net realizable value, whichever is lower. Cost is arrived at Weighted Average Basis.

- Raw Material, Semi Finished Goods, Finished Goods are valued at Cost or Market Value whichever is lower. Cost is arrived at FIFO method.
- Obsolescence and Damaged materials are valued at Realizable Value.

2.6 Operating Leases

As a lessee

Leases of property, plant and equipment where the Company, as a lessee, has substantial risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are clarified as operating leases. Payments made under operating leases are charges to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary costs increases. The respective leased assets are included in the Balance Sheet based on their nature.

2.7 Investment and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other income'.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other income' in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other income' in the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



(v) Income recognition Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(vi) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vii) Fair value of financial instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.8 Derivative instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other income'/'Other expenses'.

2.9 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 Cash and Cash equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.



Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.14 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

2.15 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

2.16 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

2.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Foreign currency transactions and translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency.



(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs, if any, are presented in the Statement of Profit and Loss, within 'Finance costs'. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other income'/'Other expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.19 Employee benefits

(i) **Short-term employee benefits**

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) **Post-employment benefits**

Defined benefit plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee benefits expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in retained earnings in the Statement of Changes in Equity.

The Company has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for Defined Benefit Plans as the present value of the Defined Benefit Obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of Independent actuaries. Actuarial gains and losses resulting from re-measurements of the liability are included in other comprehensive income.

Defined contribution plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms



approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Employee benefit obligations' (current) in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.20 Income Taxes

Tax expense recognized in statement of profit or loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly inequity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

2.21 Provision and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made 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 embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.



2.23 Earnings per share

(i) Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.24 Critical estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Employee benefits (estimation of defined benefit obligation)
Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.
- Impairment of trade receivables
The risk of uncollectibility of trade receivables is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.



NOTE NO. 3: PROPERTY, PLANT AND EQUIPMENT

Sl No.	Particulars	Gross Block			Rate of Depreciation	Depreciation/Amortization				Net Block as on 31.03.2019	Net Block as on 31.03.2018
		As on 01.04.2018	Additions during the year	Deletions during the year		As on 31.03.2019	As on 01.04.2018	Depreciation for the year 2018-2019	Adjustment Depreciation		
1	PLANT & MACHINERY	22,512	16,900	-	45.07%	-	14,528	-	14,528	24,884	22,512
	TOTAL	22,512	16,900	-		-	14,528	-	14,528	24,884	22,512
	Previous Year	-	33,400	-		-	10,888	-	10,888	22,512	-



Notes forming part of Balance sheet and statement of profit & Loss

NOTE NO. 4 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Long - Term Loans and Advances:		
	a) Security Deposit		
	Secured	-	-
	Unsecured	9,15,164	12,02,218
	(Security deposit consist of Sales Tax Deposit , Electricity deposit , Rent Deposit , Tender deposit and deposit with suppliers)		
	b) other Long Term Loans and advances		
	(Advance recoverable in cash or kind)		
	Secured	-	-
	Unsecured	34,20,678	36,78,038
	Total Long Term Loans & Advances	43,35,842	48,80,256

NOTE NO. 5 : DEFERRED TAX ASSET (NET)

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Opening Deferred tax Asset	1,816	
	Add:		
	Deferred Tax Asset for the year (Due to SLM and WDV Difference)	(459)	1,816
	Deferred Tax Asset for the year (Due to Others)	(3,69,285.45)	
	Gross Deferred tax Asset	(3,67,928)	1,816
	Opening Deferred tax Liability		
	Provision for Gratuity and Compensated Absences and doubtful debt	-	
	Gross Deferred tax Liability	-	-
	Deferred Tax Asset/ (Liability) - Net	(3,67,928)	1,816

NOTE NO. 6. : OTHER NON- CURRENT ASSETS

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	1) Other non- current Asset		
	Product Development advances	-	5,30,000
	Total Non Current Assets	-	5,30,000



NOTE NO.7 : INVENTORIES

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Inventories :		
	a) Raw materials	-	-
	Sub Total	-	-
	b) Work - in - progress	-	-
	Sub Total	-	-
	c) Finished goods	-	-
	Sub Total	-	-
	Total Inventories	-	-

NOTE NO. 8 : TRADE AND OTHER RECEIVABLES

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Trade Receivables		
	Secured, Considered Good	-	-
	Unsecured, Considered Good		
	Less than Six months	-	13,69,945
	More than Six months	53,62,208	37,85,642
	Doubtful	-	-
		53,62,208	51,55,587
	Other Receivables:		
	Secured, Considered Good		-
	Unsecured, Considered Good		
	Doubtful	-	-
		-	-
	Total Trade Receivable (Gross)	53,62,208	51,55,587
	Less : Provision for bad & doubtful debts	-	-
	Total Trade Receivables(net)	53,62,208	51,55,587

NOTE NO. 9 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	50,140	4,59,359
	2) On Deposit Accounts	6,43,235	10,97,402
	b) Cash on hand	3,74,125	8,06,956
	Total Cash and Cash Equivalents	10,67,500	23,63,716



NOTE NO. 10 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Short - Term Loans and Advances:		
	a) Other loans And advances Unsecured (Loans and advances consist of mobilisation advance to contactors ,advance to supplier and Travel advance to employees)	-	-
	Total Short Term Loans & Advances	-	-

NOTE NO.11 : OTHER CURRENT ASSETS

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Prepaid Expenses	-	-
	Interest Accrued on Deposits	-	-
		-	-

NOTE NO. 12 : SHARE CAPITAL

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
a	Equity Share Capital		
	(a) Authorised 40,00,000 Equity Shares of Rs.10/- each	4,00,00,000	4,00,00,000
	(b) Issued, Subscribed and Paid-up 34,05,500 Equity Shares of Rs.10/- each fully paid up.	3,40,55,000	3,40,55,000
	Less: Calls in Arrear	4,24,150	4,24,150
	Total Equity Share Capital	3,36,30,850	3,36,30,850
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares	Number of Shares
	Equity Shares of Re.10 Each, Fully paid up :		
	At the Beginning	34,05,500	34,05,500
	Issued during the year	-	-
	At the end	34,05,500	34,05,500
c	Details of Shareholder holding more than 5% shares of the company:(Refer Note below)	% of Share Holding	
		-	-

Note:

No Shareholders is holding more than 5% in share of the company as on 31st, March 2018 and as on 31st, March 2019

**NOTE NO. 13 : OTHER EQUITY**

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Other Equity		
	a) Capital Subsidy		
	As at the commencement of the year	9,93,750	9,93,750
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		9,93,750	9,93,750
	b) Capital Reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		-	-
	c) Surplus :		
	i) Opening Balance	(2,42,04,503)	(2,03,47,113)
	Add: Total comprehensive income during the year	(18,46,886)	(38,57,390)
	Less: Bonus shares / (Forfeiture of Bonus shares)	-	-
		(2,60,51,389)	(2,42,04,503)
	Total Reserves and Surplus	(2,50,57,639)	(2,32,10,753)

NOTE NO. 14 : LONG TERM BORROWINGS

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured - (Refer Note No 29a)		
	From Financial Institutions :		
	Secured - (Refer Note No 29b)		
	Unsecured - (Refer Note No 29c)		
	b) Loans and advances from related parties		
	Un Secured:		
	Unsecured - (Refer Note No.29d)		
	Total Long Term Borrowings	-	-

**NOTE NO. 15 : LONG TERM PROVISIONS**

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	a) Provisions for employee benefits		
	Total Long Term Provisions	-	-

NOTE NO. 16 : DEFERRED TAX LIABILITIES (NET)

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Opening Deferred tax Liability	-	
	Add:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)		
	Deferred Tax Liability for the year (Due to Others)		
	Gross Deferred tax Liability	-	-
	Opening Deferred tax Asset		
	Provision for Gratuity and Compensated Absences and doubtful debt		-
	Gross Deferred tax Asset	-	-
	Deferred Tax Liability/ (Asset) - Net	-	-

NOTE NO. 17 : OTHER NON CURRENT LIABILITES

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
	a) Trade Payables & Others		
	- Advance from Customers	-	-
	b) Others		
	Sales Tax Deferral** (refer note)	-	2,52,375
	Total other long term liabilities	-	2,52,375

**Represents 14 years Interest free sales tax deferment loan received from Government of Andhra Pradesh. Repayment commences from 2014-15 based on deferment availed in the respective years.

**NOTE NO. 18 : SHORT TERM BORROWINGS.**

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured - (Refer Note No. 31)		
	From other parties		
	Secured		
	Unsecured		
	b) Loans and advances from other parties		
	Unsecured-(Refer Note No. 31)		
	c) Loans and advances from Related parties		
	Unsecured		
	Total Short Term Borrowings	-	-

NOTE NO. 19: TRADE AND OTHER PAYABLES

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	a) Trade Payables	15,96,033	18,47,985
	Total Trade Payables	15,96,033	18,47,985

NOTE NO. 20 : OTHER CURRENT LIABILITES

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	a) Current maturities of Long Term Debts		
	b) Interest accrued but not due on borrowings		
	c) Income received in advance.		
	d) Unpaid dividend.		
	e) Other Payables	2,53,262	1,55,605
	f) Others		
	Sales Tax Deferral** (refer note)	0	2,77,825
	Total Other Current Liabilities	2,53,262	4,33,430

**Represents 14 years Interest free sales tax deferral loan received from Government of Andhra Pradesh. Repayment commences from 2014-15 based on deferral availed in the respective years.

NOTE NO. 21 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31.03.2019 Rupees	As on 31.03.2018 Rupees
I	a) Provisions for employee benefits		
	b) Others		
	Total Short Term Provisions	-	-



NOTE NUMBERS TO STATEMENT OF PROFIT & LOSS

NOTE NO. 22 : REVENUE FROM OPERATIONS

S. No.	Particulars	Year Ended 31.03.2019 Rupees	Year Ended 31.03.2018 Rupees
I	Revenue from operations in respect of non-finance company (a) Sale of Products	48,10,000	44,91,436
	Total Revenue from Operations	48,10,000	44,91,436

NOTE NO. 23 : OTHER INCOME

S. No.	Particulars	Year Ended 31.03.2019 Rupees	Year Ended 31.03.2018 Rupees
I	(a) Interest income	51,426	2,00,717
	(b) Other non-operating income (net of expenses directly attributed to such income)	1,000	-
	Total Other Income	52,426	2,00,717

NOTE NO. 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE:

S. No.	Particulars	Year Ended 31.03.2019 Rupees	Year Ended 31.03.2018 Rupees
I	Finished Goods		
	Finished goods at the beginning of the year	-	21,78,825
	Less : Finished goods at the end of the year	-	-
	Sub Total (A)	-	21,78,825
	Work-in-progress		
	Stock at the beginning of the year	-	-
	Less : Stock at the end of the year	-	-
	Sub Total (B)	-	-
	(Increase) / Decrease in Inventories (A+B)	-	21,78,825

NOTE NO. 25 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	Year Ended 31.03.2019 Rupees	Year Ended 31.03.2018 Rupees
I	(a) Salaries & Wages	2,59,633	5,82,442
	(b) Contribution to Provident & Other Funds	23,605	27,652
	(c) Staff Welfare Expenses	-	19,738
	Total Employee Benefit Expenses	2,83,238	6,29,832

**NOTE NO. 26 : FINANCE COST**

S. No.	Particulars	Year Ended 31.03.2019 Rupees	Year Ended 31.03.2018 Rupees
	(a) Interest Expenses : - Interest on Term Loan	-	-
	(b) Bank Charges	5,194	14,043
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	
	Total Finance Cost	5,194	14,043

NOTE NO. 27 : OTHER EXPENSES

S. No.	Particulars	Year Ended 31.03.2019 Rupees	Year Ended 31.03.2018 Rupees
I	Advertisement Expenses	55147	83985
	Annual listing fees	255374	300137
	Audit Fees	28830	30000
	Bad Debts	0	0
	Business Promotion	0	171455
	Carriage expenses	0	25774
	Commission	866011	315452
	Computer Maintenance / hire charges	0	21829
	Consumables	0	57939
	Conveyance	3914	71984
	Directors remuneration	150000	150000
	Discount	7176	3494
	Electricity Charges	34147	42914
	Factory Maintenance	0	0
	General Expenses	150570	336899
	Marketing Expenses	0	0
	Postage & Telegram	4745	26064
	Printing & stationery	4799	48888
	Product development	0	0
	Professional Charges	132874	169202
	Professional tax	0	5000
	Rates and Taxes	24721.61	19969
	Rent	248260	305320
	Repairs & Maintenance - Vehicle	0	0
	Repairs & Maintenance -others	0	5131
	Sales Tax Arrears	0	0
	Secretarial Expenses	0	81447



S. No.	Particulars	Year Ended 31.03.2019 Rupees	Year Ended 31.03.2018 Rupees
	Telephone Charges	12022	31345
	Travelling Expenses	99079	460083
	Swach Bharat Cess	0	0
	Amalgamation Expenses	291361	0
	Write Off	105410	
	Interest on TDS	169	0
	Packing Material	0	14629
	Total Other Expenses	24,74,608	27,78,939

NOTE NO. 28: TAX EXPENSES

S. No.	Particulars	Year Ended 31.03.2019 Rupees	Year Ended 31.03.2018 Rupees
I	Current tax		
	Deferred tax	459	-1816
	Adjustment for previous year tax		
	- Income Tax paid for earlier year	3,69,285	1,73,461
	Total Other Income	3,69,744	1,71,645

**Note-29 Notes Forming Part of Accounts****29.1 Details of Managerial Remuneration:**

Particulars	Managing Director		Executive Director	
	2018-19	2017-18	2018-19	2017-18
Salary	150000	150000	-	-
Total	150000	150000	-	-

29.2 Balance of Trade Payables, Other Current Liabilities , Loans and Advances, and Trade Receivables are subject to confirmation / reconciliation.

29.3 The Company's operation mainly consist of only one segment i.e. Drug formulations and therefore the figures relate to that segment only.

29.4 Related party disclosures (as indentified by the management) as per Indian Accounting Standard – 24 are given below:

Name of the parties

- Dr. Ghisulal Jain
- Abhishek jain

NAME OF THE TRANSACTIONS RELATED TO THE PARTY	TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES	
	2018-19	2017-18
Managerial Remuneration	1,50,000	1,50,000
Reimbursement of Expenses,etc	74,585	45,690

30. EARNING PER SHARE (EPS)

	2018-19	2017-18
The computation of EPS is set out below:		
Earning		
Net Profit/Loss for the period	(18,46,886)	(38,57,390)
Shares		
Number of Shares at the Beginning of the period	34,05,500	34,05,500
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	34,05,500	34,05,500
Weighted average number of equity shares outstanding during the period	34,05,500	34,05,500
Earning per share of par value Rs. 10/- Basic & Diluted (Rs)	(0.54)	(1.13)

31. In Accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the management there was no impairment loss on the Fixed assets during the year ended 31st March 2018.

32. Contingent Liability- NIL

33. Foreign Currency Earnings/Outgoing- NIL



34. Income tax

Rs in Lakhs

	31-03-2019	31-03-2018
Tax expense/(credit) comprises of:		
Current income tax	-	-
Deferred tax	0.005	-0.018
Income tax expense reported in the statement of profit or loss	0.005	-0.018
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 27.82% (31st March, 2018: 27.82%) and the reported tax expense in profit or loss are as follows:		
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	-14.771	-36.857
Tax at the Indian tax rate (27.82%) (31 March 2018: 27.82%)	-4.109	-10.254
Adjustments:		
CSR expenses and other donations	-	-
Weighted deduction on research and development expense	-	-
Tax incentives	-	-
Capital gain tax	-	-
MAT credit utilisation	-	-
Deferred tax assets not recognized / (utilized)	-0.005	0.018
Effect of change in tax laws and rate in jurisdictions outside India	-	-
Other Adjustments	-4.110	-10.254
Income tax expense	0.005	-0.018

35. Capital management

The Company's policy is to maintain strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business.

The Company manages its Capital structure through a balanced mix of debt and equity. The Company's capital structure is influenced by the changes in the regulatory frameworks, government policies, available options of financing and impact of the same on liquidity position.

The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The table below shows the Gearing ratio for FY 2018-19 and FY 2017-18.

Particulars	March 31, 2019	March 31, 2018
Borrowings	0.00	0.00
Trade Payables	15.96	18.48
Less: Cash & Cash Equivalents	10.68	23.64
Net Debt	5.29	-5.16
Equity Capital	85.73	104.20
Equity Capital and Net Debt	91.02	99.04
Gearing Ratio	6%	0%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2019 and 31 March, 2018.

**36. Fair Values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Values		Fair Values	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Investments	0.00	0.00	0.00	0.00
Other financial assets	9.15	12.02	9.15	12.02
Tax Assets (Net)	0.00	0.00	0.00	0.00
Trade Receivables	53.62	51.56	53.62	51.56
Cash and Cash Equivalents	3.74	8.07	3.74	8.07
Bank balances other than cash and cash equivalents	6.93	15.57	6.93	15.57
Other financial assets	0.00	0.00	0.00	0.00
Total	73.45	87.22	73.45	87.22
Financial Liabilities				
Non-current Borrowings	0.00	0.00	0.00	0.00
Other non-current financial Liabilities	0.00	0.00	0.00	0.00
Current Borrowings	0.00	0.00	0.00	0.00
Trade Payables	15.96	18.48	15.96	18.48
Other current financial Liabilities	0.00	0.00	0.00	0.00
Total	15.96	18.48	15.96	18.48

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

37. Fair values hierarchy

Financial assets and liabilities measured at fairvalue in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices(unadjusted) in active markets for the financial instruments.

Level 2: The fairvalue of financial instruments that are not traded in an active market is determined using the valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If One or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: Quantitative disclosures fair value measurement hierarchy for assets as at 31 March, 2019:



Particulars	Date of valuation	Total	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed				
Investments	31-Mar-19	0.00	0.00	-
Other financial assets	31-Mar-19	9.15	9.15	-
Tax Assets (Net)	31-Mar-19	0.00	0.00	-
Trade Receivables	31-Mar-19	53.62	53.62	-
Cash and Cash Equivalents	31-Mar-19	3.74	3.74	-
Bank balances other than cash and cash equivalents	31-Mar-19	6.93	6.93	-
Other financial assets	31-Mar-19	0.00	0.00	-
Total		73.45	73.45	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March, 2019:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-19	0.00	-	0.00	-
Other non-current financial Liabilities	31-Mar-19	0.00	-	0.00	-
Current Borrowings	31-Mar-19	0.00	-	0.00	-
Trade Payables	31-Mar-19	15.96	-	15.96	-
Other current financial Liabilities	31-Mar-19	0.00	-	0.00	-
Total		15.96	0.00	15.96	0.00

There have been no transfers between Level 1 and Level 2 during the period.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: Quantitative disclosures fair value measurement hierarchy for assets as at 31 March, 2018:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments	31-Mar-18	0.00	-	0.00	-
Other financial assets	31-Mar-18	12.02	-	12.02	-
Tax Assets (Net)	31-Mar-18	0.00	-	0.00	-
Trade Receivables	31-Mar-18	51.56	-	51.56	-
Cash and Cash Equivalents	31-Mar-18	8.07	-	8.07	-
Bank balances other than cash and cash equivalents	31-Mar-18	15.57	-	15.57	-
Other financial assets	31-Mar-18	0.00	-	0.00	-
Total		87.22	-	87.22	-

There have been no transfers between Level 1 and Level 2 during the period.



Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March, 2018:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-18	0.00	-	0.00	-
Other non-current financial Liabilities	31-Mar-18	0.00	-	0.00	-
Current Borrowings	31-Mar-18	0.00	-	0.00	-
Trade Payables	31-Mar-18	18.48	-	18.48	-
Other current financial Liabilities	31-Mar-18	0.00	-	0.00	-
Total		18.48	-	18.48	-

There have been no transfers between Level 1 and Level 2 during the period.

38. Financial risk management objectives and policies

The Company is exposed to financial risk such as Market Risk (Interest Rate Risk, fluctuation in foreign exchange rates and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Company. The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, foreign currency risk and other price risk. Financial instruments of the Company affected by market risk include borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at 31 March, 2019 and 31 March, 2018.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March, 2019 and 31 March, 2018.

Price risk

Price risk is the risk of fluctuations in the change in prices of equity Investments. The Company's investment in JV company is of strategic in nature rather than for trading purpose.

Credit risk

Credit risk is the risk arising from credit exposure to customers and the counterparty will default on its contractual obligations.

The Company has adopted a policy of only dealing with creditworthy customers/ corporates to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Advance payments are obtained from customers in banquets, as a means of mitigating the risk of financial loss from defaults.



The carrying amount of trade and other receivables, advances to suppliers, cash and short-term deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Deposits and cash balances are placed with Schedule Commercial banks.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds advances as security from customers to mitigate credit risk.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments held by the Company are in the nature of investment in jointly controlled entity and also an investment in an alternate energy supply company as required under the respective State energy policy. Both the categories are unquoted non-trade equity.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in raising the financial resources required to fulfil its commitments.

Liquidity risk is held at low levels through effective cash flow management. Cash flow forecasting is performed internally by rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational requirements, to fund scheduled capex and debt repayments and to comply with the terms of financing documents.

The Company primarily uses short-term bank facilities in the nature of bank overdraft facility to fund its ongoing working capital requirements.

For **PPKG & Co.**

Chartered Accountants

Firm Registration No.: 009655S

For **Pharmaids Pharmaceuticals Limited**

Sd/-

Dr. Ghisulal Jain

Chairman and Managing Director

(DIN: 00404983)

Sd/-

Girdhari Lal Toshniwal

Partner

Membership No.: 205140

Sd/-

Seema Jain

Director & CEO

(DIN No.07183851)

Place: Hyderabad

Date: 27/05/2019



Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode. In accordance with the circular no.17/2011 dated 21.04.2011 and circular No 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders. It is a welcome move for the society at large, as this will reduce paper consumption to great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of PHARMAIDS PHARMACEUTICALS LIMITED to contribute to the corporate Social Responsibility initiative of the Company.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below and send it back to us in the attached postage prepaid envelope. Let's be part of this 'Green Initiative

Please note that as a member of the company you will be entitled to receive all such communication in physical form, upon request.

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no. 17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

Folio No./Dp ID& Client ID

Name of 151 Registered Holder

Name of joint Holder(s)

Registered Address

E-mail ID (to be registered)

I/we shareholders) of Pharmאים Pharmaceuticals Limited agree to receive Communication from the Company in electronic mode. Please Register my above e-mail id in your for sending communication through e-mail.

Date Signature..... Note:

Shareholders are requested to keep the Company informed as and when there is any change in the e-mail address.



PHARMAIDS PHARMACEUTICALS LIMITED

CIN: L52520TG1989PLC009679

Address: 4-4-211/212/3 1ST Floor Inderbagh Sultan Bazar

Hyderabad - 500095, Telangana

Tel No.: +040-66669809

ATTENDANCE SLIP

30th Annual General Meeting

I/ We hereby record my/ our presence at the 30th Annual General Meeting of the Company held on Monday, September 30, 2019 at 11:00 A.M. at Andhra Pradesh Chemists and Druggists Association, 5-9-262/1, King Koti, Hyderabad-500001 Telangana.

Name of the Member/Proxy _____ Signature _____

Folio No. _____ No. of Shares Held _____

*DP ID _____ *Client ID _____

Please complete this attendance slip and hand it over at the Venue of the Meeting

**PROXY FORM**

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

Pharmmaids Pharmaceuticals Limited

CIN: L52520TG1989PLC009679

Registered Office: 4-4-211/212/3, Inder Bagh, Sultan Bazar, Hyderabad – 500 095

Phone: 91 40 66669809. Fax: 91 40 27562126.

Email: mailpharmaids@yahoo.co.in Website: www.pharmaids .com

Name of the Member(s):			
Registered Address:			
E-mail ID:			
Folio No.		/CLIENT ID	
DPID		No. of Shares Held	
I / We, being a member/members of above named Company, hereby appoint:			
1. Name			
Address			
Email ID		Signature	
Or failing him/her			
2. Name			
Address			
Email ID		Signature	
Or failing him/her			
3. Name			
Address			
Email ID		Signature	
Or failing him/her			

as my/ our proxy to attend and vote (on poll) for me/ us and on my/ our behalf at the 30th Annual General Meeting of the Company to be held on Monday, September 30, 2019 at 11:00 A.M. Andhra Pradesh Chemists and Druggists Association, 5-9-262/1, King Koti, Hyderabad – 500 001 Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
1	Adoption of Balance Sheet, Statement of Profit and Loss, for 31st March 2019 Report of the Board of Directors and Auditors thereon		
2	To appoint a Director in place of Seema Jain, (DIN: 07183851), who retires by rotation and being eligible, offers herself for re-appointment.		

Signed this _____ day of _____ 2019 Signature of Member _____ Signature of Proxy _____

Affix Revenue Stamp

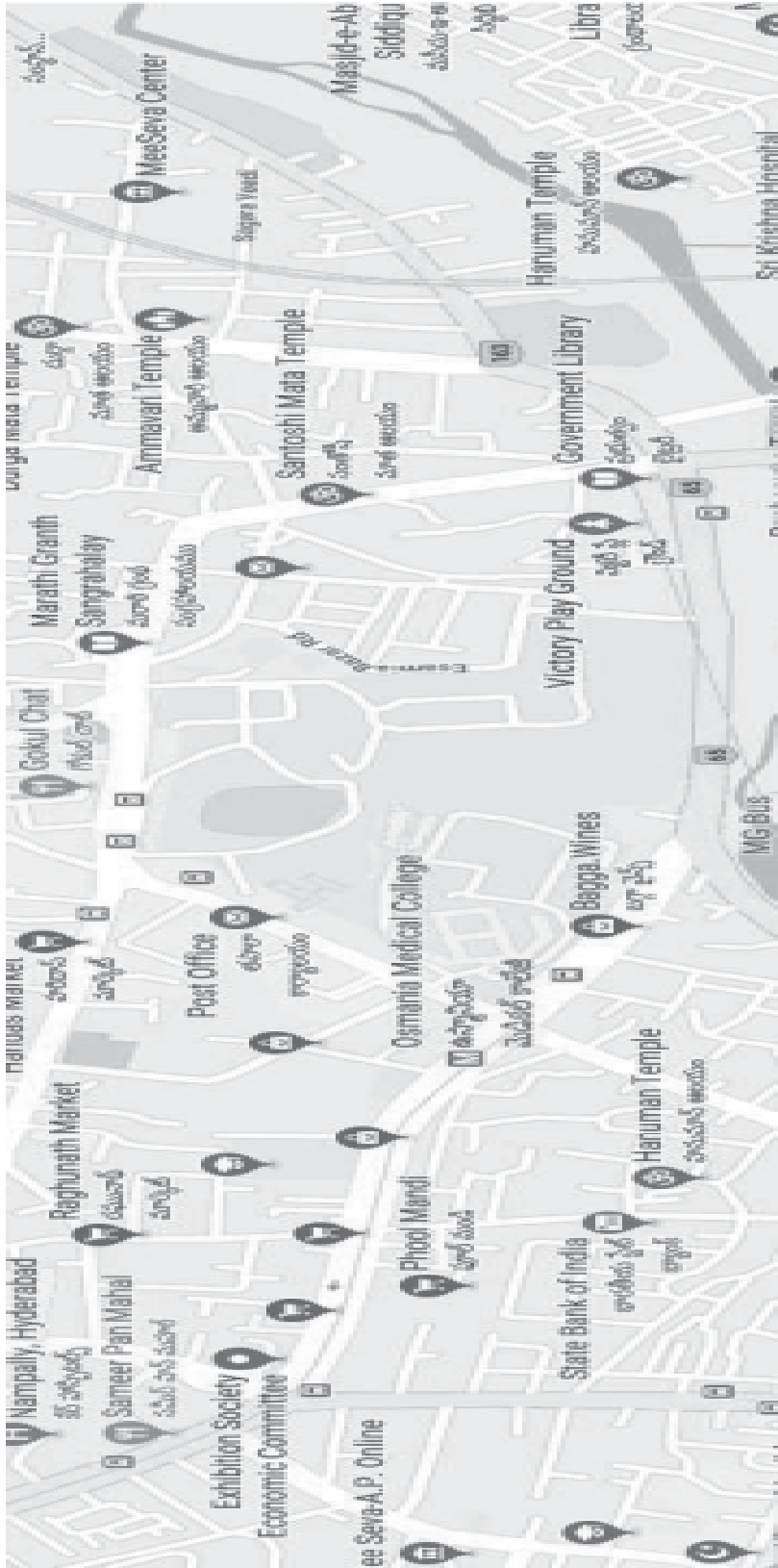
Note: 1. This form proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

It is optional to put an 'X' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she deems appropriate.



Route Map



If undelivered, please return to :

PHARMAIDS PHARMACEUTICALS LIMITED

CIN: L52520TG1989PLC009679

Address: 4-4-211/2/3 1ST Floor Inderbazar Sultan Bazar

Hyderabad - 500095, Telangana

Tel No. : +040-66669809