



**BOARD OF DIRECTORS**

**Mr VINAY RAMAKANT SAPTE**  
**Mr MANEESH R. SAPTE**  
**Mr Y. N. BHASKARA RAO**  
**Mr C. SRINIVAS**  
**Mr P. VIJAYASARADHI**

Chairman  
Managing Director  
Executive Director  
Director  
Director

**REGISTERED OFFICE**

16, Phase III, I. D. A., Jeedimetla  
HYDERABAD - 500 055  
Email: phaarmasia@yahoo.com  
Email: phaarmasia@gmail.com  
Telephone : 040-23095002/23095690

**AUDITORS:**

**M/s. K. S. Ramakrishna & Co.**  
Chartered Accountants  
5-9-22/38/2 , Adarsh Nagar  
HYDERABAD - 500 063

**BANKERS:**

**HDFC Bank**  
S.D.Road,  
SECUNDERABAD-500003.

**SHARE TRANSFER & DEMAT AGENTS :**

**M/s.VENTURE CAPITAL AND CORPORATE  
INVESTMENTS PRIVATE LTD**  
H.No. 12-10-167 , BHARATNAGAR  
HYDERABAD-5000018  
Tel. No. 040-23818476 / 23818475  
Fax No. 040-23868024  
email : info@vccilindia.com



**ATTENTION MEMBERS:**

1. All Members (both Physical and Demat) are requested to lodge their e-mail ID's along with Name and Folio / Client ID No. at the following address / e-mail to enable us to send all future communications including annual report through e mode

<b>Compliance officer address with email id</b>	<b>SHARE TRANSFER &amp; DEMAT AGENTS</b>
PHAARMASIA LIMITED 16, Phase III, I.D.A.Jeedimetla, Hyderabad – 500055 Telephone: 040-23095002/23095690 Email: phaarmasia@gmail.com	VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED H.No.12-10-167, Bharatnagar, Hyderabad – 500018 Tel.No.: 040-23818475/23818476 Email: info@vccilindia.com

2. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with photocopy of both sides of PAN card, duly attested to the Registrar and Share Transfer Agent of the company, M/s. Venture Capital and Corporate Investments Private Limited as above.

**NOTICE**

NOTICE is hereby given that the 30th Annual General Meeting of the Members of the Company will be held on Friday the 30th September, 2011 at 2.30 P.M. at Regd. Office of the Company situated at Plot No.16, Phase III, I.D.A. Jeedimetla, Hyderabad – 500 0055 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended as on that date and the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr Vinay Ramakanth Sapte who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to Sec 224 and other applicable provisions of the Companies Act, M/S. K.S. Ramakrishna & Co., Chartered Accountants be and are hereby re-appointed as statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be fixed by the Board of Directors”.

BY ORDER OF THE BOARD  
or PHAARMASIA LIMITED

Sd/-

Place: Hyderabad  
Date : 31.08.2011

**(MANEESH R.SAPTE)**  
MANAGING DIRECTOR



**NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/ herself and such proxy need not be a member of the company.
2. Proxy forms, in order to be effective, must be deposited at the Registered Office of the Company
3. OR at Share Transfer & Demat Agents Office M/s.VENTURE CAPITAL & CORPORATE INVESTMENTS PVT LTD, H.No.12-10-167, Bharatnagar, Hyderabad-500018 not later than forty-eight hours before the commencement of the Meeting.
4. The Register of Members of the company will remain closed from 27.09.2011 to 30.09.2011 (both days inclusive)
5. The Members are requested to intimate any change in their address quoting their registered folio number to our registered office address.
6. 5. The Members are requested to bring their Annual Report along with them at the time of Annual General Meeting and are also requested to send their queries, if any, on the adoption of Accounts well in advance to enable to place relevant records and information at the time of Annual General Meeting.
7. Members are requested to quote Folio No. / DP ID and Client ID in all correspondence and intimate any change in their address to the Company's Share Transfer Agents promptly.
8. Members are requested to avail the facility of converting their physical shareholdings into electronic mode of holding for their own convenience coupled with increased flexibility in dealing with such shares.

**PARTICULARS OF DIRECTORS RE-APPOINTED/APPOINTED IN PURSUANCE TO CLAUSE 49 OF THE LISTING AGREEMENT**

Profile of Directors retiring by Rotation

Mr. Vinay Ramakant Sapte, aged about 56 years is an engineer by qualification and Entrepreneur and has more than 27 years of experience in manufacturing and marketing of pharmaceuticals products.. He is well conversant with Finance and looks after day to day affairs of the Company. He is holding Directors in Maneesh Pharmaceuticals Limited, Svizera Pharma Private Limited, Fairjob Group Investment India Private Limited, Intelligent Trading Private Limited, Svizera Labs Private Limited, Shanbag Storage And Services Private Limited, Meghdoot Chemicals Limited, Heritage Laboratories Private Limited, Mantech Counting And Systems Private Limited, Pure Health Products Private Limited, Svizera Pharmatech Private Limited, Svizera Health Remedies Private Limited, And Nutramed Healthcare Private Limited.

**DIRECTORS' REPORT**

Dear members,

Your Directors herewith present to you this report for the financial year 2010-11

**FINANCIAL PERFORMANCE OF THE COMPANY:**

Your Company's working results for the year ended 31st March 2011 have been summarized hereunder:

Rs. In Lakhs

<b>S.No. PARTICULARS</b>	<b>For the financial year 2010-2011</b>	<b>For the financial year 2009-2010</b>
1. Sales & Other Income	5046.43	1143.17
2. Profit / (Loss) before Depreciation	71.35	69.26
3. Less: Depreciation	52.71	59.16
4. Profit / (Loss)	18.64	10.10
5. Add/Less. Previous year Adjustment	5.80	2.57
6. Profit for the year	12.84	12.67
7. Less. Provision for Taxation	3.46	1.84
8. Net Profit during the year	9.38	10.83

**OPERATIONS**

Your Company has earned a gross revenue of Rs. 5046.43 lakhs during the year ended 31.03.2011 as against Rs. 1143.17 Lakhs during the previous year ended 31.03.2010. The profit for the year registered at Rs.9.38 Lakhs as against Rs.10.83Lakhs (previous year). This year, the Company has undertaken, trading of Bulk Drugs, from it's Mumbai Branch, this resulted in increase in turnover and also the increase in profit for the year.

**FUTURE OUT LOOK**

Management is putting their best efforts to procure orders from Govt. of India , Nepal and other countries for manufacturing of Oral Contraceptive Pills. Presently your company is undertaking Job work order from Himalaya Drug Company, Bangalore in addition to principle to principle sale of Cosmetics Products.

**AUDITORS:**

M/s.K.S.RAMAKRISHNA & Co., Chartered Accountants, of the Company who retires at this Annual General Meeting are eligible for reappointment. They have signified their willingness for reappointment and have confirmed their eligibility under Section 224(1B)of the Companies Act, 1956.

M/s DZR & Co., Cost Accountants, Hyderabad have been appointed as Cost Auditors of the Company to conduct Audit of Cost Accounts records maintained by the Company for Formulations manufactured by the company for the year ended31.03.2012.



## REPLIES TO AUDITORS' REPORT

With reference to the observations made in the Auditors' report the notes on accounts as contained in Schedule 17 of the Balance sheet are self explanatory and therefore do not call for any further comments U/S 217(3) of the Companies Act, 1956.

## DIRECTORS

Mr Vinay Ramakant Sapte who retires by rotation in the ensuing Annual General meeting, being eligible, offers himself for reappointment.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your Directors wish to confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures , if any;
- b) such Accounting policies have been selected and applied consistently and judgments and estimates are made that are 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 of the Company for that period;
- c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting any fraud or other irregularities has been taken.
- d) Accounts for the financial year ended on 31st March 2011 are prepared on a going-concern basis.

## AUDIT COMMITTEE :

Audit Committee consists of the following Directors as on Date of this Report

- 1). Mr C.Srinivas, Chairman
- 2) Mr P.Vijayasaradhi
- 3) Mr Y.N.Bhaskar Rao

## FIXED DEPOSITS

The Company has not raised any fixed Deposits as on 31st March 2011 so as to attract the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time. There is no amount outstanding or due to any deposit holder.

## INSURANCE

Your Company's movable and immovable assets have been adequately insured against various risks.



#### PARTICULARS OF EMPLOYEES

In pursuance of section 217(2A) of the Companies Act, 1956 none of the employees of the Company was drawing a remuneration exceeding the limits stated in section 217 (2A) of the Companies Act, 1956

#### CORPORATE GOVERNANCE

A report on the Corporate Governance and Report on Management Discussions and Analysis Report as required under Listing Agreement are annexed herewith.

#### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY AND ABSORPTION, FOREIGN EXCHANGE OUTGO

Particulars with respect to Conservation of Energy as required under section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed herewith and forms part of this report.

#### PERSONNEL

Your Directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial through out the year.

#### ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their sincere appreciation and wish to express their thanks for the guidance and assistance received from State & Central Government agencies, Company's bankers, Business Associates and Share holders for their continued support and faith in the Company.

BY ORDER OF THE BOARD  
For PHAARMASIA LIMITED

Sd/-

**(VINAY RAMAKANT SAPTE)**  
CHAIRMAN

Place: Hydeabad  
Date : 31 .08.2011



**ANNEXURE TO DIRECTORS' REPORT**

**CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNINGS AND OUT GO:**

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

**FORM – A**

**CONSERVATION OF ENERGY:**

**PARTICULARS U/s 217 (1) (e) OF THE COMPANIES ACT, 1956**

A. Conservation of Energy:

- |  |   |
|--|---|
| <p>(a) Energy conservation measures taken</p> <p>(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy</p> <p>(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the Cost of production of goods;</p> <p>(d) Total energy consumption and energy consumption per unit of production</p> | <p>The Company continues its efforts to reduce energy costs. Towards this end, it strives for sequential starting of motors and have capacitor banks, wherever possible to ensure uniform load.</p> |
|--|---|

**FORM – A**

**(See Rule 2)**

Form for Disclosure of Particulars with respect to Conservation of Energy

S.No:	PARTICULARS	For the year ended 31.03.2011	For the year ended 31.03.2010
A.	Power and Fuel consumption		
1.	Electricity		
a)	Purchased units	284061	295087
	Total amount Rs.	17,04,366	17,71,005
	Rate Rs. /Unit	6.00	6.00
b)	Own generation		
	Through diesel generator in Units	23540	24450
	Unit per-ltr. of diesel oil	3	3
	Cost in Rs. / Unit	12.41	12.52
2.	Coal (specify quality and where used)		
	Quantity (Tones)	30	28
	Unit per-ltr. of diesel oil	1,53,600	1,28,715
	Cost in Rs. / Unit	5120	4,597
B.	Computation of Consumption per unit of production is not practicable		

**FORM – B****TECHNOLOGY ABSORPTION & ADOPTION:**

The Company is working to improve the existing technology.

Form for disclosure of particulars with respect to absorption:

Research and development (R & D) : Nil  
1 Specific areas in which R&D : The Company is carrying out  
carried out by the Company Research and Development in  
Formulations.

Technology absorption, adaptation and innovation : Nil

**FORM – C****FOREIGN EXCHANGE EARNINGS AND OUTGO;**

	Rs. In lakhs	
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31.03.2011</b>	<b>31.03.2010</b>
Total Foreign Exchange Used	18.00	27.95
Total Foreign Exchange Earned	0	112.60

BY ORDER OF THE BOARD  
For PHAARMASIA LIMITED

Sd/-

Place: Hydeabad  
Date : 31 .08.2011

**(VINAY RAMAKANT SAPTE)**  
CHAIRMAN

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**ANNEXURE TO THE DIRECTORS' REPORT****CORPORATE GOVERNANCE REPORT:****1. COMPANY'S PHILOSOPHY**

Corporate Governance assumes a great deal of importance in the business life of Phaarmasia Limited. The driving forces of Corporate Governance at Phaarmasia Limited are its core values - Belief in people, entrepreneurship, customer orientation and the pursuit of excellence.



**2. BOARD OF DIRECTORS**

a) Composition, category and attendance of Directors for the Financial Year ended 31.03.2011

Sl. No.	Name of Director	Category	Designation	No. of Board Meetings attended	Attendance in last AGM held on 29.09.2010
1	Mr. Vinay Ramakant Sapte	Promoters	Chairman	2	Yes
2	Mr. Maneesh R.Sapte	Promoters	Managing Director	4	Yes
3	Mr. Y.N. Bhaskara Rao	Executive	Director	8	Yes
4	Mr. C. Srinivas	Independent	Director	8	Yes
5	Mr. P. Vijayasradhi	Independent	Director	8	Yes

b) Number of other Directorships & Committee Membership/ Chairmanship for the financial year.

Sl. No.	Name of Director	Other Directorship	Committee Membership	Committee Chairmanship
1	Mr. Vinay Ramakant Sapte	15	-	-
2	Mr. Maneesh R.Sapte	13	-	-
3	Mr. Y.N. Bhaskara Rao	Nil	-	-
4	Mr. C.Srinivas	Nil	-	-
5	Mr. P.Vijayasradhi	Nil	-	-

**C) MEETINGS OF THE BOARD OF DIRECTORS**

During the financial year 2010-11, the Board of Directors met 8 times, on the following dates:

- |               |               |               |               |
|---------------|---------------|---------------|---------------|
| 1. 30.04.2010 | 2. 30.07.2010 | 3. 27.08.2010 | 4. 29.09.2010 |
| 5. 30.10.2010 | 6. 22.12.2010 | 7. 29.01.2011 | 8. 29.03.2011 |

**3. AUDIT COMMITTEE**

1. The terms of reference of the Audit Committee are as under:
  - 1) Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment for any other services.
  - 2) Reviewing with the management of the annual financial statements, before submission to the Board, focusing primarily on:
    - i) Any changes in accounting policies and practices.
    - ii) Major accounting entries based on exercise of judgment by management.
    - iii) Qualifications in draft audit report.



- iv) Significant adjustments arising out of audit.
  - v) The going concern assumption.
  - vi) Compliance with accounting standards.
  - vii) Compliance with stock exchange and legal requirements concerning financial statements.
  - viii) Any related party transactions i.e., transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- 3) Reviewing the Quarterly and Annual financial statements and submit the same to the Board with recommendations, if any.
  - 4) Discussions with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
  - 5) Reviewing the Company's financial and risk management policies.
  - 6) To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, share holders (in case of non-payment of declared dividends) and creditors.
2. The Audit Committee consists of the following Independent Directors
1. Mr C.Srinivas ,Chairman
  2. Mr P.Vijayasradhi
  3. Mr.Y.N.Bhaskar Rao
- During the year under review, the Audit Committee met 5 times. and all members of the Committee attended all meetings.

**4. COMPENSATION COMMITTEE**

There is no compensation committee meeting during the year, since there was no business in this regard.

Details of Remuneration to Directors

Name	Particulars	( Rs.) per annum
1. Mr Maneesh R.Sapte, M.D.	Remuneration	-Nil –
2. Mr Y.N.Bhaskara Rao, E.D.	Salary	480000
	PF contribution	57600

Non-Executive Directors: Sitting fees is paid for attending the meetings.

**5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE**

Share holders/Investors grievance committee consists of 1) Mr C.Srinivas - Chaiman, 2) Mr P.Vijayasradhi 3) Mr Y.N.Bhaskara Rao. The committee reviews redressing of Shareholders and Investors complaints like transfer of shares, non-receipt of Balance Sheet etc. besides complaints from SEBI, Stock Exchanges and various Investor forums. The committee also oversees the performance of Registrar and share transfer Agents and recommends measures for overall improvement in the quality of Investor's services.



The functions of the Committee include:

To specifically look into redressing investors' grievances pertaining to:

1. Transfer of shares
2. Dividends
3. Dematerialization of shares
4. Replacement of lost/stolen/mutilated share certificates
5. Any other related issues

The sub committee will focus on strengthening investor relations.

There are no valid requests pending for share transfers as on the date of Directors' Report.

#### **6. Management Discussions and Analysis Report:**

- A) Industry structure and developments, opportunities and threats, performance, outlook, risks and concerns:

Generally the Pharmaceutical Industry is registering better performance inspite of severe competition from multinational companies. There are many opportunities in 3rd world countries for export of various formulations and drugs. The efforts to supply Oral Contraceptive Pills to 3rd world countries have fetched an order for supply of Oral Contraceptive Pills to Nepal. The management is confident of improving the operations by focusing on manufacturing of Cosmetics and Oral Contraceptive Pills.

- B) Internal Control and their Adequacy:

Sufficient Internal Control Systems are in place.

- C) Financial and Operational Performance:

Current year's operational performance is satisfactory compared to previous years, and Finance details are given in Directors' Report.

- D) Human Resources Development and Industrial relations:

Industrial relations are satisfactory.

#### **Cautionary Statement:**

Certain statement made in the Management Discussion and analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether expressed or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, Government Regulations and taxation, natural calamities etc, over which the Company does not have any control.

**7. DATE, VENUE AND TIME OF THE LAST 3 ANNUAL GENERAL MEETINGS**

Date	Venue	Time	No. of Special Resolutions
30.09.2008	16, Phase-III, I.D.A. Jeedimetla, Hyderabad	2.30 p.m	-
25.09.2009	16, Phase-III, I.D.A. Jeedimetla, Hyderabad	2.30 p.m	4
29.09.2010	16, Phase-III, I.D.A. Jeedimetla, Hyderabad	2.30 p.m	-

There were no special resolutions passed through postal ballot in the previous year

**8. Disclosures**

There are no transactions, which may have potential conflict with the interests of the Company Schedule 16 of the Annual Accounts contains the details of related party transactions as required by the Accounting Standard 18(AS-18) on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India.

There is no non-compliance by the company and no penalties, strictures have been imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.

The Company has complied with all the mandatory requirements of Clause 49 and is in the process of implementation of Non-mandatory requirements.

**9. Means of Communication**

The Quarterly Un-audited results are regularly given to the stock exchanges where shares are listed and published in English and Telugu News papers.

**10. Code of conduct:**

The Pharmasia code of conduct as adopted by the Board of Directors, is applicable to the Directors both executives and non-executives and Senior management team comprising of members of management one level below the Executive Director including all functional heads.

**11. General Information for Shareholders**

- i) Date, time and venue of the 30th Annual General Meeting: Friday the 30th day of SEPTEMBER, 2011 at 2.30 P.M. at the Registered Office of the Company Plot No.16, Phase – III, IDA, Jeedimetla, Hyderabad - 500 055.
- ii) The Financial Year of the Company is from April 1st, to March 31st
- iii) Date of Book Closure: From 27th of September, 2011 to 30th September, 2011 (both days inclusive) in connection with the Annual General Meeting.
- iv) Presently the shares of the Company are listed on  
The Bombay Stock Exchange and the annual listing fees is paid update.  
Since Hyderabad Stock exchange is derecognized by SEBI, the shares are not listed on Hyderabad Stock Exchange  
As the shares are not traded on Ahmedabad Stock Exchanges for a very long time and to reduce the administration cost, it has been proposed to delist the shares on Ahmedabad Stock Exchange. A resolution was approved at the Annual General Meeting held on 30-09-2003.



- v) Stock Code : 523620 ( Bombay Stock Exchange)  
vi) DEMAT A/C. No. : ISIN No. INE 486101016

The shares of your company have been admitted by both NSDL, CDSL to facilitate demating of Shares under ISIN No. INE 486101016. Investors who wish to exercise the option of dematerialization of their shares are required to submit Dematerialization Request Form (DRF) duly filled along with the original share certificate to the Depository Participant (DP). For guidance on Depository services, shareholders may write to Registrars and Share Transfer Agents.

The Share holders are requested to note that as per SEBI Circular No.MRD/DoP/SE/Cir-32/08 Dated 21.11.2008 trading in Securities of any Company may not be shifted to rolling settlement subject condition that at least 50% of non-promoter holdings as per clause 35 of Listing Agreement are in demat mode before shifting the trading in the securities of the company from TPTS TO rolling settlement . As on Date only 3.19% of Public holding is Demated and share holders may convert physical mode into Demat so that BOMBAY STOCK EXCHANGE may consider to shift your company shares from TPTS to rolling settlement.

**Share Transfer System:**

The Managing Director, Executive Directors and Compliance Officers have been individually authorized to attend to share transfers and issue of duplicate share certificates once a fortnight.

The Investors' Grievance & Share Transfer Committee shall approve the share transfers affected by the above under the delegated authority once in a quarter.

The average time taken for processing of share transfers including dispatch of share certificates was approximately 15 days if the documents are clear in all respects. As the Company's shares are currently traded in dematerialized from the transfers are processed and approved in electronic form by NSDL / CDSL through their depository participants.

There are no pending share transfer requests as on 31st March, 2011

- vii) Distribution of Share holding as on 31st March, 2011 is as follows:

Nominal Value	No.of Folios	% to Folios	No. of Shares	% to Shares
Upto ... 500	22,762	99.06	1147034	16.80
501 ... 1000	135	0.58	97881	1.43
1001 ... 2000	39	0.17	59812	0.87
2001 .... 3000	9	0.03	21498	0.31
3001 .... 4000	3	0.01	10718	0.15
4001 .... 5000	5	0.02	22677	0.33
5001 ....10000	7	0.03	49960	0.73
10001 and above	17	0.07	5417380	79.35
<b>Grand Total</b>	<b>23080</b>	<b>100.00</b>	<b>6826960</b>	<b>100.00</b>



Categories of share holders as on 31st March, 2011 is as follows:

Category	No. of Shares	%
Indian Promoters	5014232	73.45
Institutions	3960	0.06
Domestic Companies	18248	0.27
Resident Individuals	1790520	26.22
Total	6826960	100.00

viii) Market Price Data:

The shares are regularly not traded on Bombay Stock Exchange though there were small Quantities in three trading days in whole of the year. Hence the details are not given.

**Share Transfer, Demat Agents & Registrars :**

M/s. VENTURE CAPITAL AND CORPORATE INVESTMENTS PVT LTD

H.No.12-10-167, BHARATNAGAR, HYDERABAD-500018

Tel. No. 040- 23818476 / 23818475, Fax No.040-23868024

Email id: info@vccilindia.com

ix) There are no outstanding GDRs/ADRs / Warrants or any Convertible Instruments due for conversion.

x) Nomination Facility:

Share holders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company's Share Transfer & Demat Agents M/s. M/s.VENTURE CAPITAL AND CORPORATE INVESTMENTS LTD, H.No.12-10-167, BHARATNAGAR, HYDERABAD-500018, Prescribed (Form 2B) is annexed to this report. Nomination facility in respect of shares held in Electronic Form is also available with the Depository Participant (DP) as per the Byelaws and Business rules applicable to NSDL and CDSL.

xi) Address for Correspondence

Registered Office: 16, Phase III, I.D.A. Jeedimetla,Hyderabad - 500 055.  
Phone No. 040 23095002

Plant Location: 16, Phase – III, IDA, Jeedimetla, Hyderabad – 500 055.

xii) Compliance Officers: Mr N.E.V.Prasada Rao

Tel # :040-23095002 E-mail: phaarmasia@yahoo.com

Tel # 040-23095690 E-mail: phaarmasia@gmail.com

xiii) For any Grievance email : phaarmasiagr@gmail.com



xiv) Compliance:

The Company shall obtain a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges and annexure the certificate with the Directors' Report, which is sent annually to all the shareholders of the company.

Auditor's Certificate is annexed to the Report of the Directors.

M.D and E.D certification is provided in the Annual Report.

BY ORDER OF THE BOARD  
For PHAARMASIA LIMITED

Sd/-

Place: Hydeabad  
Date : 31 .08.2011

**(VINAY RAMAKANT SAPTE)**  
CHAIRMAN

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**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

To

The Share holders

I hereby declare that all the Board members and Senior Management personal have affirmed compliance with code of conduct adopted by the company and have submitted declarations in this behalf for the year ended 31st March, 2011

Sd/-

Place : HYDERABAD  
Date : 31.08.2011

**(Y.N.BHASKAR RAO)**  
EXECUTIVE DIRECTOR

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To

The Board of Directors

PHAARMASIA LTD

Plot No.16, Phase III,

IDA, Jeedimetla, HYDERABAD-500055.

**CERTIFICATION BY CEO AND CFO**

We undersigned Mr Maneesh R.Sapte, Managing Director and Mr Y.N.Bhaskar Rao, Executive Director responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of my knowledge and belief:
  - i) These Statements do not contain any materially untrue statement or omit any material fact or Contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in Compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief , no transactions entered into by the Company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's code of conduct:



- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We further certify that:
- a) There have been no significant changes in internal control system during the year
  - b) There have been no significant changes in accounting policies during the year
  - c) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal Control system over financial reporting.

	Sd/-	Sd/-
Place : HYDERABAD	<b>MANEESH R.SPATE</b>	<b>Y.N.BHASKAR RAO</b>
Date : 31.08.2011	Managing Director	Executive Director

**AUDITORS' CERTIFICATE**

To the Members of M/s. Phaarmasia Limited  
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by Phaarmasia Limited for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

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

For **K.S. RAMAKRISHNA & CO**  
CHARTERED ACCOUNTANTS  
F.R.N.002888S

Sd/-

**(K.S.RAMAKRISHNA)**  
PARTNER

Place : Hyderabad  
ate : 31.08.2011





**AUDITORS' REPORT**

To  
The Members of M/s. PHAARMASIA LIMITED,

We have audited the attached Balance Sheet of M/s. PHAARMASIA LIMITED, as at 31st March 2011 and also the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors Report (Amendment) Order 2004, issued by the Central Government in terms Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred in paragraph (1) above, we report that:
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far, as appears from our examination of such books.
  - iii) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v) On the basis of written representation received from Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - a. In the case of the Balance Sheet, of the state of the affairs of the company as at 31st March 2011;
    - b. In the case of the Profit & Loss Account, of the profit for the year ended on that date; and
    - c. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For K.S. RAMAKRISHNA & CO.,  
Chartered Accountants  
F.R.N.002888S

Sd/-

Place: Hyderabad  
Date: 31.8.2011

**(K.S.RAMAKRISHNA)**  
PARTNER.  
M.No.021154



## ANNEXURE TO THE AUDITORS REPORT

(Referred to the paragraph 3 of our report of even date)

- i. In respect of its Fixed Assets :
  - a. The company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.
  - b. As per the information and explanation given to us, the Fixed Assets have been physically verified by the management according to the phased programme, which is designed to cover all the Fixed Assets verified and to this programme is considered reasonable. No material discrepancies were noticed on such verification.
  - c. As per the information and explanations given to us, during the year that no substantial part of Fixed Assets of the Company are disposed off which will affect the going concern status of the Company
- ii. In respect of its Inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. In respect of the Loans Secured or Unsecured, granted or taken by the Company to/from Companies, Firm of Other Parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - a. The company has not taken loans secured or unsecured, to/from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 .
  - b. As the Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the (iii) (b),(c) and (d) of the order not applicable.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.



- b. The transactions in pursuance of such contracts or arrangements have been made at prices reasonable having regard to the prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, the company has not accepted any deposits during the year from the public covered by the directions issued by the Reserve Bank of India and provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under where applicable and issuance of order by the Company Law Board in this regard does not arise.
- vii. As per the information and explanations given to us by the management, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
- viii. We have broadly reviewed the Books of account relating to materials, labour and other items of cost, maintained by Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Sec.209(1) (d) of the Companies Act, 1956 and we are of the Opinion that prima facie the prescribed accounts and records have been made and maintained. And, the Central government has directed the company to have Cost audit for the Company and the Company has appointed Cost auditors for the period under audit.
- ix. a. According to the information and explanation given to us and the records examined by us, the company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. However according to the Information and explanations given to us, no undisputed arrears of statutory dues were Outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.  
b. According to the records of the company, there are no dues of Sale Tax, Income Tax, Customs, Wealth Tax, Service Tax Excise Duty and Cess which have not been deposited on accounts of any dispute.
- x. The company had no accumulated losses at the end of the year under report and it did not incur cash losses during the said year or in the immediately preceding financial year. (The accumulated losses are wiped out in earlier years, by a scheme of arrangement approved by High Court of Andhra Pradesh)
- xi. According to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of any dues to the bank
- xii. Based on our examination of the records and the information and explanation given to us, the company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.



- xiii. In our opinion, as the company is not a chit fund or a Nidhi or Mutual benefit fund or society, the provisions of clause 4(xiii) of the Companies (Audit Report) Order 2003 are not applicable to the company for this year.
- xiv. According to the records of the company, there are no investments made in the nature of shares in other companies and maintenance of records of transactions and contracts in respect of shares does not applicable.
- xv. According to the information and explanation given to us, the terms and conditions of guarantees given by the company for loans taken by others from bank or financial institutions are, in our opinion, prima facie, not prejudicial to the interest of the company. However, there are no guarantees outstanding as on 31st March 2011.
- xvi. According to the records of the company and information and explanation given to us the company has not raised terms loans during the year.
- xvii. As per the information and explanations given to us and on overall examination of the balance sheet and cash flow statement of the company, we report that no funds raised on short term basis have been used for long term investment and vice versa.
- xviii. According to the information and explanations furnished to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xix. The company has not issued any debentures during the year, which requires the creation of security.
- xx. During the year the company has not made any public issues for which the management has to disclose the end use of money raised through that public issue.
- xxi. As per the representation given by the company and relied on by us, no fraud on or by the company has been noticed or reported during the year.

For K.S. RAMAKRISHNA & CO.,  
Chartered Accountants  
F.R.N.002888S

Sd/-

Place: Hyderabad  
Date: 31.08.2011

**(K.S.RAMAKRISHNA)**  
PARTNER.  
M.No.021154



**BALANCE SHEET AS ON 31.03.2011**

PARTICULARS	Sch No.	As at	As at
		31.03.2011	31.3.2010
<b>I. SOURCES OF FUNDS</b>		Rs	Rs
<b>A. SHARE HOLDERS FUNDS</b>			
Share Capital	1	68,269,600	68,269,600
Reserves & Surpluses	2	<u>13,312,281</u>	<u>18,744,901</u>
<b>TOTAL "A"</b>		<b><u>81,581,881</u></b>	<b><u>87,014,501</u></b>
<b>B. SECURED LOANS :</b>			
Hypothecation of Vehicle	3	<u>221,467</u>	<u>437,481</u>
<b>TOTAL "B"</b>		<u>221,467</u>	<u>437,481</u>
<b>TOTAL "A" + "B"</b>		<b><u>81,803,348</u></b>	<b><u>87,451,982</u></b>
<b>II APPLICATION OF FUNDS</b>			
<b>A. FIXED ASSETS</b>			
Gross Block	4	292,929,370	292,207,396
LESS: Depreciation		<u>164,527,841</u>	<u>152,885,957</u>
<b>NET BLOCK TOTAL "A"</b>		<b><u>128,401,529</u></b>	<b><u>139,321,439</u></b>
<b>B. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	5	21,020,055	17,354,011
Sundry Debtors	6	86,114,165	24,684,787
Cash & Bank Balances	7	21,160,446	1,302,263
Loans & Advances	8	<u>36,465,333</u>	<u>1,327,479</u>
		<b><u>164,759,999</u></b>	<b><u>44,668,540</u></b>
Less: Current Liabilities & Provisions	9	<u>212,004,637</u>	<u>97,184,453</u>
<b>TOTAL "B"</b>		<b><u>(47,244,638)</u></b>	<b><u>(52,515,912)</u></b>
<b>C. DEFERRED TAX ASSETS/(LIABILITY)/ NET</b>		<u>646,456</u>	<u>646,456</u>
<b>TOTAL (A+B+C)</b>		<b><u>81,803,347</u></b>	<b><u>87,451,983</u></b>
Notes on Accounts	17		

As per our Report of even date attached for **K.S. RAMAKRISHNA & CO.,** CHARTERED ACCOUNTANTS F.R.N.002888S

Sd/-  
**(K.S.RAMAKRISHNA)**  
PARTNER. M.No.021154

PLACE : HYDERABAD  
DATE : 31 08.2011

for and on behalf of Board of Directors  
Sd/-

**VINAY RAMAKANT. SAPTE**  
CHAIRMAN

Sd/-  
**MANEESH R. SAPTE**  
MANAGING DIRECTOR

Sd/-  
**Y.N.BHASKAR RAO**  
EXECUTIVE DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED**

PARTICULARS		For the period	For the period
		ended	ended
		31.03.2011	31.3.2010
		Rs	Rs
<b>I</b>	<b>INCOME</b>		
Sales	10	504,642,561	114,144,826
Other Income	11	3,321	172,241
Increase/(Decrease) in stocks	12	1,585,929	(9,135,533)
		<u><b>506,231,810</b></u>	<u><b>105,181,534</b></u>
<b>II</b>	<b>EXPENDITURE</b>		
Material Consumed	13	30,767,800	60,463,916
Purchase of Traded goods		397,263,898	0
Employee Remuneration & Benefits	14	9,866,599	7,283,526
Manufacturing, Admn & Selling Expenses	15	10,347,608	11,751,210
Excise Duty and Sales Tax	16	50,851,030	18,756,280
		<u><b>499,096,934</b></u>	<u><b>98,254,932</b></u>
III	Profit before Depreciation ( I - II )	7,134,876	6,926,602
IV	Depreciation	<u>5,271,271</u>	<u>5,916,656</u>
V	Profit / (Loss) for the year ( III - IV )	1,863,605	1,009,946
	Prior Period Adjustments	<u>(580,120)</u>	<u>256,889</u>
		<u><b>1,283,485</b></u>	<u><b>1,266,835</b></u>
	Less . Provision for income Tax (MAT)	<u>345,494</u>	<u>183,590</u>
		<u><b>937,991</b></u>	<u><b>1,083,245</b></u>
	Notes on Accounts	17	

As per our Report of even date attached  
for **K.S. RAMAKRISHNA & CO.**,  
CHARTERED ACCOUNTANTS  
F.R.N.002888S

Sd/-

**(K.S.RAMAKRISHNA)**  
PARTNER. M.No.021154

PLACE : HYDERABAD  
DATE : 31 08.2011

for and on behalf of Board of Directors

Sd/-

**VINAY RAMAKANT. SAPTE**  
CHAIRMAN

Sd/-

**MANEESH R. SAPTE**  
MANAGING DIRECTOR

Sd/-

**Y.N.BHASKAR RAO**  
EXECUTIVE DIRECTOR

**SCHEDULE ANNEXED & FORMING PART OF BALANCE SHEET  
AS AT 31.03.2011**

	As on 31.03.2011	As on 31.03.2010
	Rs.	Rs.
<b>SCHEDULE - 1</b>		
AUTHORISED SHARE CAPITAL		
1,00,00,000 Equity Shares of Rs. 10/- each	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED, SUBSCRIBED & PAID-UP CAPITAL 68,26,960		
Equity Shares of Rs.10/- each fully paid up	<u>68,269,600</u>	<u>68,269,600</u>
<b>SCHEDULE - 2</b>		
RESERVES & SURPLUS		
At the beginning:		
Capital Reserve	9,687,063	9,687,063
Free Reserves	<u>9,057,838</u>	<u>15,305,264</u>
	<b>18,744,901</b>	<b>24,992,327</b>
Less Transfer to Depreciation	<u>6,370,611</u>	<u>7,330,671</u>
	<b>12,374,290</b>	<b>17,661,656</b>
Add. Transfer from current year surplus in profit & Loss A/c.	<u>937,991</u>	<u>1,083,245</u>
	<b>13,312,281</b>	<b>18,744,901</b>
<b>SCHEDULE -3 :</b>		
SECURED LOANS :		
Acceptance against Hypothication of Vehicle ( Loan taken from HDFC Bank )	<u>221,467</u>	<u>437,481</u>
	<u><b>221,467</b></u>	<u><b>437,481</b></u>



**SCHEDULE - 4  
FIXED ASSETS AND DEPRECIATION:**

(Amount in Rs.)

Sl. No.	Name Of The Asset	GROSS BLOCK				DEPRECIATION				Total As On 31.3.2010
		Original Cost as on 1.4.2010	Additions During the Period	Total up to 31.03.2011	Up To 31.3.2010	During the year	Total Up To 31.03.2011	Total As On 31.03.2011		
1	Good Will	335,000	0	335,000	0	0	0	0	335,000	335,000
2	Land	46,890,000	0	46,890,000	0	0	0	0	46,890,000	46,890,000
3	Building	94,085,801	0	94,085,801	54,548,474	3,953,733	58,502,207	35,583,594	39,537,327	39,537,327
4	Plant & M/c	23,900,444	0	23,900,444	15,330,964	1,192,015	16,522,979	7,377,465	8,569,480	8,569,480
5	Tanks & Vessels	18,328,314	0	18,328,314	12,296,157	839,073	13,135,230	5,193,084	6,032,157	6,032,157
6	Pumps & Motors	1,756,712	0	1,756,712	1,191,393	78,636	1,270,029	486,683	565,319	565,319
7	Packaging Eqpt	31,289,550	328,439	31,617,989	20,941,125	1,447,101	22,388,226	9,229,763	10,348,425	10,348,425
8	Service Eqpt	42,954,826	314,475	43,269,301	27,589,055	2,144,690	29,733,745	13,535,556	15,365,771	15,365,771
9	Weighing M/c	1,221,235	0	1,221,235	787,109	60,387	847,496	373,739	434,126	434,126
10	Lab Equipment	9,014,477	47,340	9,061,817	5,692,855	462,597	6,155,452	2,906,365	3,321,622	3,321,622
11	Air Conditioners	3,583,748	0	3,583,748	1,765,261	252,952	2,018,213	1,565,535	1,818,487	1,818,487
12	Electrical Instrn.	12,371,477	0	12,371,477	8,556,649	762,966	9,319,615	3,051,862	3,814,828	3,814,828
13	Office Eqpt	2,548,702	31,720	2,580,422	2,061,821	72,137	2,133,958	446,464	486,881	486,881
14	Furniture&Fitting	3,068,970	0	3,068,970	1,901,521	211,308	2,112,829	956,141	1,167,449	1,167,449
15	Vehicle	858,140	0	858,140	223,573	164,289	387,862	470,278	634,567	634,567
T O T A L		292,207,396	721,974	292,929,370	152,885,957	11,641,884	164,527,841	128,401,529	139,321,439	139,321,439
Previous Year		290,109,107	3,384,069	292,207,396	140,786,263	13,247,327	152,885,957	139,321,439	149,322,845	149,322,845

Note: Depreciation Rs.5271271/- Debited to P & L A/c.

Depreciation Rs.6370611/- Debited to Reserves & Surplus A/c. (for the Revaluation Reserves/ Created on revaluation of assets earlier)



**SCHEDULE ANNEXED & FORMING PART OF BALANCE SHEET  
AS AT 31.03.2011**

	As on 31.03.2011	As on 31.03.2010
	Rs.	Rs.
<b>SCHEDULE - 5</b>		
<b>INVENTORIES</b>		
(As verified, valued and Certified by the Management)		
1. Raw Materials	5,117,662	5,470,705
2. Packing Materials	12,243,727	9,810,569
3. Work In Process	76,800	0
4. Finished Goods	3,581,866	2,072,737
	<u>21,020,055</u>	<u>17,354,011</u>
<b>SCHEDULE - 6</b>		
<b>SUNDRY DEBTORS</b>		
(Un secured and considered good)		
1. Less than six months	85,296,077	24,662,707
2. More than six months	818,088	22,080
	<u>86,114,165</u>	<u>24,684,787</u>
<b>SCHEDULE - 7</b>		
1. Cash on Hand	40,587	44,812
2. Balance with Scheduled banks in Cash at Bank		
- Currant Accounts	21,119,859	943,156
- Fixed Deposit(against B.G)	0	314,295
	<u>21,160,446</u>	<u>1,302,263</u>
<b>SCHEDULE - 8</b>		
<b>A. LOANS &amp; ADVANCES</b>		
(Unsecured, considered good & recoverable in Cash or in kind or for value to be received)		
1. Advance for packing materials, Goods, Spares & Services	35,051,726	111,567
2. Advance for Excise Duty	3,079	3,079
3. Prepaid Expenses	91,186	83,236
4. Income-tax deducted at source	223,065	81,351
5. Advances for Machinery	115,541	101,069
6. Advanc to Others	46,542	12,983
<b>TOTAL "A"</b>	<u>35,531,139</u>	<u>393,285</u>
<b>B. DEPOSITS</b>		
With Govt. Departments	934,194	934,194
<b>TOTAL "B"</b>	<u>934,194</u>	<u>934,194</u>
<b>TOTAL A + B</b>	<u>36,465,333</u>	<u>1,327,479</u>

**SCHEDULE ANNEXED & FORMING PART OF BALANCE SHEET  
AS AT 31.03.2011**

	As on 31.03.2011	As on 31.03.2010
	Rs.	Rs.
<b>SCHEDULE - 9</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
1. Creditors for Capital Goods	1,019,091	3,332,549
2. Creditors for Materials/goods	155,739,946	36,253,738
3. Creditors for Services	3,260,805	3,350,984
4. Creditors for Packing Material	5,331,412	9,161,851
5. Creditors for Other Expenses	10,569,638	9,984,313
6. Advances Received	31,660,422	31,566,067
7. Liability for Gratuity	1,961,112	1,871,229
8. Provision for Statutory Expenses	2,462,211	1,663,721
<b>TOTAL</b>	<b><u>212,004,637</u></b>	<b><u>97,184,453</u></b>
<b>SCHEDULE - 10</b>		
<b>A. Gross Sales</b>		
Sales	53,726,019	111,090,160
Traded goods	424,608,159	0
	<b><u>478,334,178</u></b>	<b><u>111,090,160</u></b>
<b>B. Processing Charges including Excise Duty</b>	<b><u>26,308,383</u></b>	<b><u>3,054,666</u></b>
<b>TOTAL</b>	<b><u>504,642,561</u></b>	<b><u>114,144,826</u></b>
<b>SCHEDULE - 11</b>		
<b>OTHER INCOME</b>		
A. Interest Earned	1,169	22,241
B. Misc. Income	2,152	150,000
<b>TOTAL</b>	<b><u>3,321</u></b>	<b><u>172,241</u></b>
<b>SCHEDULE - 12</b>		
<b>INCREASE/DECREASE IN STOCKS</b>		
<b>Opening Stocks</b>		
Finished Goods - Own	2,072,737	10,810,504
Finished Goods - Trading	0	0
Stock in Progress	0	397,766
	<b><u>2,072,737</u></b>	<b><u>11,208,270</u></b>
<b>Closing Stocks</b>		
Finished Goods - Own	3,581,866	2,072,737
Finished Goods - Trading	0	0
Stock in Process	76,800	0
	<b><u>3,658,666</u></b>	<b><u>2,072,737</u></b>
	<b><u>1,585,929</u></b>	<b><u>(9,135,533)</u></b>

**SCHEDULE ANNEXED & FORMING PART OF BALANCE SHEET  
AS AT 31.03.2011**

	As on 31.03.2011	As on 31.03.2010
	Rs.	Rs.
<b>SCHEDULE - 13</b>		
<b>A. Raw Materials</b>		
Opening Stocks	5,470,705	9,338,154
Add: Purchases	19,185,048	29,800,684
	<u>24,655,753</u>	<u>39,138,838</u>
Less: Closing Stocks	5,117,662	5,470,705
<b>TOTAL "A"</b>	<u><u>19,538,091</u></u>	<u><u>33,668,133</u></u>
<b>B. Packing Materials</b>		
Opening Stocks	9,810,569	13,959,627
Add: Purchases	13,662,867	22,646,725
	<u>23,473,436</u>	<u>36,606,352</u>
Less: Closing Stocks	12,243,727	9,810,569
<b>TOTAL "B"</b>	<u><u>11,229,709</u></u>	<u><u>26,795,783</u></u>
<b>TOTAL A + B</b>	<u><u>30,767,800</u></u>	<u><u>60,463,916</u></u>
<b>SCHEDULE - 14</b>		
<b>EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Directors Remuneration	480,000	480,000
Salaries & Wages	3,822,832	3,047,221
ESI Company Contribution	127,979	94,259
Staff Welfare Expenses	1,100,825	739,125
PF Company contribution	447,293	321,365
Bonus	112,177	103,678
Labour Charges	3,260,610	1,929,768
Exgratia & Gratuity	514,883	568,110
<b>TOTAL</b>	<u><u>9,866,599</u></u>	<u><u>7,283,526</u></u>

**SCHEDULE ANNEXED & FORMING PART OF BALANCE SHEET  
AS AT 31.03.2011**

	As on 31.03.2011	As on 31.03.2010
	Rs.	Rs.
<b>SCHEDULE - 15</b>		
Manufacturing, Admn & Selling Expenses		
Laboatory chemicals & Analysis Charges	286,325	394,015
Freight Outward & Cartage	501,414	1,172,216
Power, Fuel & Water	2,611,717	2,587,565
Insurance	174,766	181,901
Repairs & Maintainance	1,119,163	2,672,550
Consumable Stores	1,112,190	510,963
Licence Fees, Rates & Taxes	471,011	431,956
Travelling Expenses	244,938	483,121
Consultancy Charges	1,154,660	544,410
Conveyance Expenses	914,223	873,591
Postage, Telegram & Telephones	237,592	453,201
Books & Periodicals	0	475
Subscriptions	35,327	18,236
Advertisement	47,200	36,140
Financial charges	70,340	223,761
Office Expenses	84,180	48,311
Audit Fees	75,004	76,239
Sitting Fee	28,000	32,000
Printing and stationery	310,853	363,857
Security Charges	758,308	613,742
AGM Expenses	110,397	32,960
<b>TOTAL</b>	<b>10,347,608</b>	<b>11,751,210</b>

**SCHEDULE - 16**

Excise Duty & Sales tax		
A.P VAT A/c	5,451	1,721,178
Central Excise Duty Paid (Exp)	29,364,671	17,035,102
Sales Tax - CST	853,712	
Sales Tax - Trade	20,608,176	
Service Tax	19,021	
<b>TOTAL</b>	<b>50,851,030</b>	<b>18,756,280</b>



**SIGNIFICANT ACCOUNTING POLICIES:**

1. **Basis of Accounting** : Accounts are prepared under historical cost Convention and on the assumption of going concern and on accrual basis.
2. **Fixed Assets** : Fixed Assets up to 31st March 2006 are stated at Revalued cost and Fixed Assets purchased after 1st April 2006 are stated at Historical Cost inclusive of duties, Sales Tax, freight and installation Cost.
3. **Depreciation** : Depreciation is provided as per Written Down Value method at the rates specified in the Schedule – XIV of the Companies Act, 1956 on Single Shift Basis on the values excluding Revaluation amount.
4. **Current Assets** : **INVENTORIES:**
  1. Raw Materials are valued at cost on first in first out method.
  2. Packing Materials are valued at cost on first in first out method.
  3. Stock in process is valued at cost, including manufacturing expenses.
  4. Finished Goods are valued at cost of materials and process.
5. **Sundry Debtors** : Sundry Debtors are taken at book value after Providing for un-realizable.
6. **Retiring Benefits** : Gratuity has been provided as per the payment Of Gratuity Act for all the eligible employees upto 31st March,11.  
No provision has been made for leave encashment as company's H.R.Policy does not allow encashment
7. **Income & Expenditure:** Accounted on accrual concept.
8. **Revenue Recognition** : Sales and procesing fee include Excise Duty and Sales Tax.



**SCHEDULE – 17**

**NOTES ON ACCOUNTS**

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : Rs. NIL. (Previous Year – NIL)
2. Contingent liabilities- Rs. NIL.
3. All Outstanding balances for creditors, debtors, acceptances and other advances are subject to confirmation from the parties.
4. With regards to the compliance of the Provisions relating to the dues to Micro, Small and Medium Enterprises the Company explained that it sent letters to the creditors to confirm whether they are Micro , Small and Medium Enterprises and the replies are yet to be received by the Company. Hence it could not quantify the dues if any, to Micro, Small and Medium Enterprises Units.
5. Income Tax returns of the Company are filed up to the accounting year ending 31st March 2010, and there are no material demands or disputed amounts pending as on date.
6. The Sales Tax Assessment of the Company is completed up to accounting year 2007-08. For the Year 2008-09, 2009-10, 2010-11 assessments are pending. Management is of the opinion that there will be no additional liability will arise other than that provided for.
7. Gratuity is provided only for the completed period of service. No provision has been made for leave encashment as company's H.R. Policy does not allow encashment..
8. The Company operates in a solitary business segment i.e., pharmaceuticals, and bulk drugs comprising mainly manufacture of formulations and creams which as per Accounting Standard – AS17 is considered as the only one reportable business segment. The company also manufactures skin/face Creams and tooth paste both covered under Drugs & Cosmetics Act, with valid Drug Licenses obtained and there are also treated as same business segment. Accordingly, no further financial information for business segment is required to be given. The geographical segmentation is not relevant, as there are no exports for this year.
9. In accordance with the Accounting Standard on “Earnings per Share” AS – 20, issued by the Institute of Chartered Accountants of India, Earnings per Share has been computed as under :

Net Profit / Loss for the year (Rs / lakhs)	9.38
No. Of Equity Shares	6826960
(Face value of Rs. 10/- each)	
Basic and Diluted EPS (Rs.)	0.14
10. As per the Accounting Standard on “Related Party Disclosures” AS – 18, issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:



## A. Key Management Personnel :

- Mr. Vinay R.Sapte -- Chairman & Director
- Mr. Maneesh R. Sapte -- Managing Director
- Mr. Y.N. Bhaskara Rao -- Executive Director
- Mr. C.Srinivas -- Director
- \* Mr P.Vijayasradhi -- Director

The nature and volumes of transactions of the Company during the year, with the above-related parties were as follows:

— Remuneration - Rs. 480000/- p.a. to Mr Y.N.Bhaskar Rao &  
Rs. 28000/- to Non working Directors  
towards Sitting Fees.

--- Details of related party Transactions:

Sl. No.	Name of the Transaction	Company Name where Directors are interested	Amount(Rs.)
01.	Purchase of Materials & Finished Goods	M/s.Maneesh Pharmaceuticals Ltd	7,83,96,937/-
02.	Sale of Finished Goods	Svizera Health Remedies (A Division of M/s.Maneesh Pharmaceuticals Ltd.	1,14,88,636/-

11. The components of Deferred Tax balance as per “AS-22” issued by ICAI are set out below :

	Rs. In lakhs 2010-11
DEFERRED TAX ASSET/(LIABILITY)	
Opening Balance as on 01.04.2010	6.46
Add: Current year 2010-11	
-Timing difference on account of Depreciation is an Deferred Tax Asset but the same is not created as the avaiement is unlikely in near future	<u>0</u>
Net Deferred Tax Asset as on 31.03.2011	<u>6.46</u>

12. Previous year's figures are regrouped wherever necessary to make them comparable with current year figures.

13. The Depreciation on the revalued portion of value of fixed assets for the period ended 31st March 2011 of Rs.63,70,611/- (Previous year Rs. 73,30,671/-) is adjusted in Reserve & Surplus A/c..



14. Remuneration paid to Directors

	2010-11 Rs.	2009-10 Rs.
Executive Director	4,80,000	4,80,000
<b>TOTAL</b>	<b>4,80,000</b>	<b>4,80,000</b>

15. Payment to Auditors :

	2010-11 Rs.	2009-10 Rs.
1. Statutory Audit Fee	40,000	40000
Tax Audit Fee	20,000	20000
Service Tax	6180	7415
<b>Total</b>	<b>66,180</b>	<b>67415</b>
2. Internal Audit :		
Audit Fee	8,000	8000
Service Tax	824	824
<b>Total</b>	<b>8,824</b>	<b>8824</b>

16. Information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of Companies Act, 1956.

QUANTITATIVE INFORMATION

Class of goods manufactured	2010-11	2009-10
Liquid Orals, Tablets & Powders :		
1. Licensed Capacity	N.A.	N.A
2. Installed Capacity on Single Shift Basis		
----Liquids in KL	6000 PA	6000 P.A.
----Tablets in Millions	5400 PA	5400 PA
---- Capsules in Millions	3000 PA	3000 PA
---- Pastes, Creams & Ointments in M.T	4500 PA	4500 PA

(As certified by the management and not verified by the Auditors being a Technical subject)

3. Actual Production

	Qty	Qty
a) For conversion :		
Liquids	00.00 KL	00.00 KL
Tablets	00.00 Mill	00.00 Mill
Pastes & Creams	193.52 M.T.	181.22 MT
b) Own Production :		
Liquids	45.62 KL	69.93 KL
Tablets	31.59 Mill	199.00 Mill
Pastes & Creams	294.63 M.T.	337.85 MT





4. Opening Stock of Finished Goods :			
Liquids		2.01 KL	11.36 KL
Tablets		0.00 Mill	0.00 Mill
Pastes & Creams		21.93 M.T.	97.56 MT
5. Closing Stock of Finished Goods :			
Liquids		1.91 KL	2.01 KL
Tablets		0.70 Mill	0.00 Mill
Pastes & Creams		19.73 MT	21.93 MT
6. Sales Turnover & Processing charges :			

	Qty	Value (Rs.'000)	Qty	Value (Rs.'000)
Liquids ( KL)	32.64KL	7977.49	79.28	33,391.15
Tablets ( Mill)	31.59 Mill	9974.04	199.00	28,298.83
Pastes&Creams(MT)	382.65 M.T.	35774.49	413.48	49,191.28
Trading goods		424608.16		0
Processing Conversion charges & others		26308.39		3,263.56
<b>Total</b>		<b>504642.56</b>		<b>1,14,144.82</b>

7. Consumption of Raw Materials & Packing Materials:

	Qty	Value (Rs.'000)	Qty	Value (Rs.'000)
1. Sorbitol	0	0	54633	2079.27
2. SLS Powder	1148	103.12	7240	754.61
3. Smyle Herbal Compound	70	50.66	2541	1830.57
4. Smyle Herbal Compound A.C	795	591.41	795	551.76
5. Calcium Carbonate	349775	272.81	79480	1427.83
6. Alovera Gel	4070	1286.65	10285	3068.97
7. Hydrogenated Polydecene	510.1	789.39	897	1152.80
8. Potassium Sorbate	123	80.61	207	133.45
9. Oliem 800 flakes	735.80	934.25	1220	1538.90
10.Lanolin Alcohol	1650	1984.73	1008	3358.30
11.Glycerine	167.5	20.22	4067.55	490.07
12. Ptcpitated Silica Sident	504.55	24.08	9070.00	455.60
13. Light Liquid Parafin	61.70	9.57	14215.74	1001.10
14. Lactose	6738.88	774.37	12265.71	1059.75
15. Levonogestrel	1.53	53.01	21.33	2786.35
16. Ethenylestradial	100.82	199.41	5.60	761.65
17. Ferrous Fumarate	271.81	28.99	3562.73	364.51
18. Norgestrel	0	0	10.5	1094.45
Essence Chemical & Others		11222.71		9758.19
<b>Total (A)</b>		<b>19538.09</b>		<b>33668.13</b>
Consumption of Packing Materials like Laminated Tubes, Cartons & others		11229.71		26795.78
<b>Total (B)</b>		<b>11229.71</b>		<b>26795.78</b>
<b>TOTAL ( A +B)</b>		<b>30767.80</b>		<b>60463.92</b>



8. Value of Imported Raw Materials, spare parts & components consumed:

	C.I.F.Value (Rs.'000)	%	Value (Rs.'000)	%
i. Raw Materials				
NORGESTREL	0	0	900.619	0.0267
LEVONORGESTREL	1511.40	0.351	1430.988	0.0425
ETHENYLEATRADIAL	288.44	0.067	463.267	0.0137

9. Exports & Imports

	Value (Rs.'000)	Value (Rs.'000)
a) Export of Goods (FOB)	NIL	11260.00
b) Imports (C/F) Value Raw Materials	1799.84	2794.87

10. Expenditure in foreign currency during the financial Year on account of traveling etc., Nil

11. Previous Year's figures have been regrouped And rearranged wherever necessary

12. Figures are rounded off to the nearest rupee.

**Signature to Schedules 1 to 17**

As per our Report of even date attached  
for **K.S. RAMAKRISHNA & CO.,**  
CHARTERED ACCOUNTANTS  
F.R.N.002888S

Sd/-

**(K.S.RAMAKRISHNA)**  
PARTNER. M.No.021154

PLACE : HYDERABAD

DATE : 31 08.2011

for and on behalf of Board of Directors

Sd/-

**VINAY RAMAKANT. SAPTE**  
CHAIRMAN

Sd/-

**MANEESH R. SAPTE**  
MANAGING DIRECTOR

Sd/-

**Y.N.BHASKAR RAO**  
EXECUTIVE DIRECTOR



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / Loss before tax and extraordinary item	1863605	1009946
Adjustments for:		
Add / Ded: Depreciation	5271271	5916656
Interest Paid	0	0
Interest Received	-1169	-22241
Other Income	-2152	150000
Misc. Exp. Written Off	0	0
Operating Profit before Working Capital Changes	7131556	7054361
Adjustments for:		
Trade & Other Receivables	-61429378	-18162948
Inventories	-3666044	17152040
Loans & Advances	-35137854	538168
Trade Payables	114658282	-3341713
Cash Generated From Operations	21556561	3239908
Other Income	3321	22241
Capital Reserve	0	0
Prior Period Adjustments	-580120	256889
Direct Taxes Paid	-183590	-421692
NET CASH FLOW / (USED) FORM OPERATING ACTIVITIES (A) :	<u>20796171</u>	<u>3097346</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets ( Net )	0	138147
Purchase of Fixed Assets	-721974	-3384069
NET CASH FLOW / (USED) IN INVESTING ACTIVITIES (B)	<u>-721974</u>	<u>-3245922</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / Decrease in Long Term Borrowings	-216014	-213519
Issue of Share Capital	0	0
NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES ( C ) :	<u>-216014</u>	<u>-213519</u>
Net Increase/ (Decrease) in cash and Cash equivalents (A+B+C)	<u>19858183</u>	<u>-362095</u>
Cash and Cash equivalents as at 01.04.2010	1302263	1664358
Cash and Cash equivalents as at 01.04.2011	21160446	1302263

As per our Report of even date attached  
for **K.S. RAMAKRISHNA & CO.,**  
CHARTERED ACCOUNTANTS  
F.R.N.002888S

Sd/-

**(K.S.RAMAKRISHNA)**  
PARTNER. M.No.021154

PLACE : HYDERABAD  
DATE : 31 08.2011

for and on behalf of Board of Directors

Sd/-

**VINAY RAMAKANT. SAPTE**  
CHAIRMAN

Sd/-

**MANEESH R. SAPTE**  
MANAGING DIRECTOR

Sd/-

**Y.N.BHASKAR RAO**  
EXECUTIVE DIRECTOR



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

The information required pursuant to Schedule VI (Part IV) to the Companies Act, 1956 is given below :

**I. REGISTRATION DETAILS :**

Registration No. : U24239AP1981PTC0002915  
State (Andhra Pradesh) Code : 01  
Balance Sheet Date : 31.03.2011

**II. CAPITAL RAISED DURING THE YEAR : (Rs. In '000s)**

Public Issue NIL  
Rights Issue NIL  
Bonus Issue NIL  
Private Placement NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : ('000)**

Total Liabilities 81803  
Total Assets 81803  
Source of Funds :  
Paid-up Capital 68270  
Reserves & Surplus 13312  
Secured Loans 221  
Un-secured Loans 0  
Application of Funds :  
Net Fixed Assets 128402  
Investments 0  
Net Current Assets -47245  
Differed Tax Asset (Net) 646  
Accumulated Losses 0

**IV. PERFORMANCE OF THE COMPANY :**

Turnover (Sales and other income) 504646  
Total Expenditure 503362  
Profit before Tax 1283  
Profit after Tax 938  
Earnings per Share ( in Rs.) 0.14  
Dividend Rate 0

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY**

Item Code No. (ITC Code) NIL  
Product Description Pharmaceutical Formulations & Cosmetics

for and on behalf of Board of Directors

Sd/-

**VINAY RAMAKANT SAPTE**  
CHAIRMAN

Sd/-

Sd/-

Place: HYDERABAD  
Date : 31.08.2011

**MANEESH R.SAPTE**  
MANAGING DIRECTOR

**Y.N. BHASKAR RAO**  
EXECUTIVE DIRECTOR