



# Pharmaids Pharmaceuticals Limited

PPL/AGM/56/2018-19

Dt:01/10/2018

**BSE Ltd.,  
Corporate Relationship Department,  
1<sup>st</sup> Floor, Rotunda Building,  
P.J. Towers, Dalal Street,  
Fort, Mumbai – 400 001.**

**Scrip Code: 524572**

**Sub: Submission of Annual Report of the Company for the Financial Year  
2017-18**

Dear Sir,

Pursuant to Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2017-18 as approved and adopted by the Members at the 29<sup>th</sup> Annual General Meeting of the Company as per provisions of the Companies Act, 2013.

You are requested to kindly take the same on your record.

Thanking You,

Yours faithfully,  
For Pharmaids Pharmaceuticals Limited

Ghisulal Jain  
Managing Director

Encl: As above



# **Pharmaids Pharmaceuticals limited**

## **29<sup>th</sup> ANNUAL REPORT 2017-18**

## 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

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### REGISTERED OFFICE

4-4-211/212/3, 1<sup>ST</sup> Floor,

Inderbagh, Sultan Bazar, Hyderabad-500 095.

**T.S. India E-MAIL** [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in)

**WEBSITE** [www.pharmaids.com](http://www.pharmaids.com)

Tel No. 040-66669809

### AUDITORS

M/s .Rakesh S Jain & Associates

Chartered Accountants

### LISTING AT

Bombay Stock Exchange Ltd.,

### REGISTERAR & 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. Lakdi ka Pool

SBI, Barkatpura

### CONTENTS

Notice

Directors Report

Annexure to Directors Report

Management Discussion &

Analysis Report

Secretarial Compliance

Auditors Report

Balance Sheet & Profit & Loss Account

Notes

Cash Flow Statement

Abstract Balance Sheet

E Communication Registration form

Attendance slip & Proxy form

**NOTICE**  
**29<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of Pharmaids Pharmaceuticals Limited will be held on Friday 28<sup>th</sup> September 2018 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 31<sup>st</sup> March, 2018 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.
3. To consider and if thought fit, to pass, the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. PPKF & Company, Chartered Accountants (Firm Registration No. 009655S), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. Rakesh S Jain & Associates, Chartered Accountants (Firm Registration No. 010129S), to hold office from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 33rd AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

Place: Hyderabad

Date: 13/08/2018

CIN: L52520TG1989TLC009679

Reg.: #4-4-211/212/3, 1<sup>st</sup> Floor,

Inderbagh, Sultan Bazar, Hyderabad – 500 095.

By Order of the Board of Directors

Dr. Ghisulal Jain, Din: 00404983

Chairman and Managing Director

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 Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 25<sup>th</sup> September 2018 to Friday 28<sup>th</sup> September 2018 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.
6. 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.
7. Electronic copy of the Annual Report for 2017-18 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 2017-18 are being sent in the permitted mode.
8. Electronic copy of the Notice of the 29<sup>th</sup> 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 29<sup>th</sup> 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.
9. 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 29<sup>th</sup> AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 29<sup>th</sup> 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 Ajay Kishen, 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 Tuesday 25<sup>th</sup> September 2018 at 9.00 a.m. and ends on Thursday 27<sup>th</sup> September, 2018 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 21<sup>st</sup> September 2018 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 21<sup>st</sup> September 2018 shall only be eligible for e-voting.
- (II) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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 DP ID 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](http://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](http://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](mailto: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 o 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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  |
| Date of first appointment on the Board                   | 30/03/2015  |
| Qualifications   | Graduate  |
| Expertise  | Rich experience of over 5 years in administration |
| Number of Meetings of the Board attended during the year | 4   |
| List of Directorship / Membership /                      | -   |
| Chairmanship of Committees of other Board                | NA  |
| Shareholding in Pharmaida Pharmaceuticals Limited        | 25875   |

Place: Hyderabad  
 Date: 13/08/2018  
 CIN: L52520TG1989TLC009679  
 Reg.: # 4-4-211/212/3, 1<sup>st</sup> 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 29<sup>th</sup> Annual Report of the Company, together with the financial statements, for the year ended March 31, 2018.

## Financial Results

(Rs. in Lakhs)

| PARTICULARS                | 2017-18 | 2016-17 |
|----------------------------|---------|---------|
| Sales                      | 44.91   | 120.25  |
| Other Income               | 2.01    | 1.00    |
| Total Income               | 46.92   | 121.25  |
| Total expenses             | 83.77   | 164.98  |
| Profit before Depreciation | 36.76   | 37.35   |
| Less: Depreciation         | 0.11    | 6.37    |
| Deffered Tax               | (-0.02) | (2.72)  |
| Profit (loss) for the year | (38.57) | 10.96   |

## Company Performance

The sales of your Company has decreased from Rs. 120.25 Lakhs to Rs. 44.91 Lakhs as compared to last year. The Company has incurred a loss of Rs. 38.57 Lakhs as compared to profit of Rs. 10.96 Lakhs earned during the previous year. The Company is in the process of exploring new products and new markets in north west India.

## Transfer to Reserves

The Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

## Dividend

Keeping in view the future expansion plans and capital requirements of the company, the Board of Directors believe it is necessary to conserve cash flow and thereby do not recommend any dividend for the year.

## 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**

Mrs. Seema Jain will retire by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

### **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 a board 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 committee 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 within 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. Rakesh S Jain & Associates, Chartered Accountants (Firm Registration No. 010129S) are holding office of the auditors up to the conclusion of the 29th AGM.

As per second proviso to Section 139(2) of the Companies Act, 2013, (the Act), a transition period of three years from the commencement of the Act is provided to appoint a new auditor if the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Act, M/s. PPKF & Company, Chartered Accountants (Firm Registration No. 009655S) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of 29th AGM till the conclusion of the 33rd AGM, subject to ratification by shareholders every year, as may be applicable, in place of M/s. Rakesh S Jain & Associates, Chartered Accountants.

M/s. PPKF & Company, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the appointment of M/s. PPKF & Company, Chartered Accountants, as statutory auditors of the Company from the conclusion of the 29th AGM till the conclusion of 33rd AGM, to the shareholders.

### **Auditors' Report**

The auditors' report with regards to qualification in secretarial Audit Report, the company is taking steps to appoint company Secretary does not contain any qualifications, reservations or adverse remarks.

### **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 Ajay Kishen, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B"

### **Extract of Annual Return**

The extract of Annual Return as on March 31, 2018 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, 2018, Four Board Meetings were held on 30/05/2017, 14/08/2017, 15/11/2017, 15/02/2018.

Directors' attendance record:

| Name of the Director | No. Board Meetings held during the year | No. Board Meetings attended during the year |
|----------------------|---|---|
| Dr. Ghisulal Jain    | 4                                       | 4   |
| Mahendra Kumar Ranka | 4                                       | 4   |
| M. Sudheer Anand     | 4                                       | 4   |
| Seema Jain           | 4                                       | 4   |

## **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 2017-2018.

## **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 Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

## **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 undertake 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, 2018 and 05-05-2018 (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, 2018) and the date of the Report (05-05-2018).

**Audit Committee**

- I. The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges 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 September 28, 2017 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:

| <b>Name</b>      | <b>Category</b>                       | No. of Meetings held | No. of Meetings attended |
|------------------|---------------------------------------|----------------------|--------------------------|
| Mahendra K Ranka | Independent, Non-Executive            | 4                    | 4                        |
| M Sudheer Anand  | Independent, Non-Executive            | 4                    | 4                        |
| Seema Jain       | Non – Independent and Non - Executive | 4                    | 4                        |

- V. Four 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:  
30/05/2017, 14/08/2017, 15/11/2017, 15/02/2018.

### **Nomination and Remuneration Committee**

- I. The broad terms of reference of the nomination and Remuneration Committee are as under:
- ★ 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 familiarisation programmes 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:

| <b>Name</b>          | <b>Category</b>                 |
|----------------------|---------------------------------|
| Mahendra Kumar Ranka | Independent, Non-Executive      |
| M SudheerAnand       | Independent, Non-Executive      |
| Seema Jain           | Non-Independent & Non-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 2017-2018 are given below:

Dr. Ghisulal Jain (Managing Director) has drawn a remuneration of Rs. 1,50,000/- for the year ended 31.03.2018.

**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 February 12, 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 SudheerAnand       | Independent, Non-Executive      | 1                    | 1                        |
| Seema Jain           | Non-Independent & Non-Executive | 1                    | 1                        |

- iv. Name, designation and address of Compliance Officer: R. Mani Bhavani - Accounts Officer, Reg. : # 4-4-211/212/3,1st Floor, Inderbagh, Sultan Bazar, Hyd-95
- v. Details of Complaints/ Requests received, resolved and pending during the Financial Year 2017-18 :

| 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 28/02/2018 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 company has 2 (two) non-independent directors namely: Mr. Mahendra Kumar Ranka and Mr. M Sudheer Anand

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.

### **Ratio of Remuneration to each Director**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, a remuneration of Rs. 1,50,000/- is being paid to Dr. Ghisulal Jain, Managing Director of the Company.

### **Particulars of Employees, related disclosures and Human Resources:**

The Provisions of Section 197 (12) read with the relevant rules are not applicable to the Company during the year under review.

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 fees, for the year 2017-18 has been paid to the Exchange.

### **Corporate Social Responsibility**

The provisions relating to Corporate Social Responsibility are not applicable to our company.

### **Disclosure about Cost Audit**

Cost Audit is not applicable to your Company.

### **Postal Ballot**

During the year under review, in pursuance of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Postal Ballot was conducted (including e-voting) seeking approval of shareholders by way of special resolution for authorizing the Board of Directors u/s 186 of the Companies Act, 2013 for sale of assets. The Company has complied with all the provisions of the Companies Act, 2013 in this regard.

### **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.

### **Proposal of amalgamation with Emergent Bio Naturals Limited.**

The Board of Directors of the Company approved a Scheme of Amalgamation ('Scheme') pursuant to section 230 to 232 of the Companies Act, 2013 for amalgamation of M/s. Emergent Bio Naturals Limited (Transferor Company) into M/s. Pharmaids Pharmaceuticals Limited (Transferee Company).

The Transferor Company is engaged in the business of trading of Nutraceuticals products and Drug Intermediaries & Cosmetic Chemicals, APIs, Herbal and Ayurveda etc.

The valuation report has been given by Mulkala & Associates, Chartered Accountants, Hyderabad and fairness opinion by independent Merchant Banker, Inventure Merchant Banker Services Private Limited, Mumbai.

The proposed Scheme is subject to the approval of Stock Exchange, Shareholders of the both Companies and their respective lenders/creditors and the National Company Law Tribunal and all other applicable statutory authorities.

By Order of the Board of Directors

Sd/- Dr. Ghisulal Jain

Din: 00404983

Chairman and Managing Director

Place: Hyderabad

Date: 13-08-2018

Sd/- Seema Jain

Director & CEO (DIN No.07183851)

## Annexure

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

#### A. Conservation of energy

##### POWER & FUEL CONSUMPTION

|    |                                      | Current Year | Previous Year |
|----|--------------------------------------|--------------|---------------|
| 1. | Electricity (Purchased) units        | Nil          | 3025          |
|    | Total Amount (Rs.)                   | -            | 69,125        |
|    | Rate per Unit (Rs.)                  | -            | 6.70          |
| 2. | Electricity (Generated) units        | -            | -             |
|    | Total Amount (Rs.)                   | -            | -             |
|    | Rate per Unit (Rs.)                  | -            | -             |
| 3  | Total Units consumed                 | -            | -             |
|    | Units consumed in per lac production | -            | -             |

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- No specific investment has been made in reduction in energy consumption.
- 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             | -               | -                |

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

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.

By Order of the Board of Directors  
Sd/- Dr. Ghisulal Jain  
Din: 00404983  
Chairman and Managing Director

Place: Hyderabad  
Date: 13-08-2018

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

**SECRETARIAL AUDIT REPORT**  
**For The Financial Year Ended On 31st March, 2018**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Members,  
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, 2018, 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 / We 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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

1. *The Company has not appointed Company Secretary as per the provisions of Companies Act, 2013.*

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

Ajay Kishen

Practicing Company Secretary

FCS: 6298 CP: 5146

Place: Hyderabad

Date: 05-05-2018

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 a reasonable 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.

Sd/-  
Ajay Kishen  
Practicing Company Secretary  
FCS: 6298 CP: 5146

Place:Hyderabad  
Date: 5-5-2018

**ANNEXURE C****Form No. MGT – 9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2018**

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

| <b>I. REGISTRATION AND OTHER DETAILS:</b>                                      |   |
|--|---|
| 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,<br>SULTAN BAZAR, HYDERABAD – 500 095,<br>TELANGANA . Ph : 040-27562126   |
| vi) Whether listed company   | YES   |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | M/S VENTURE CAPITAL & CORPORATE INVESTMENTS PRIVATE LIMITED 10-167,<br>BHARAT NAGAR, HYDERABAD – 500 018<br>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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

| Category of Shareholders   | No. of Shares held at the beginning of the year (as on 01-04-2017) |                |                |                   | No. of Shares held at the end of the year (as on 31-03-2018) |                |                |                   | % Change during the year |
|--|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|--------------------------|
|  | Demat  | Physical       | Total          | % of Total Shares | Demat  | Physical       | Total          | % of Total Shares |                          |
| <b>A. Promoter</b>   |  |                |                |                   |  |                |                |                   |                          |
| (1) Indian   |  |                |                |                   |  |                |                |                   |                          |
| a) Individual / HUIF   | 223105   | 0              | 223105         | 6.55              | 227328   | 0              | 227328         | 6.68              | + 0.13                   |
| b) Central Govt  | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| c) State Govt (s)  | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| d) Bodies Corp   | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| e) Banks / FI's  | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| f) Any Other   | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| <b>Sub Total (A) (1)</b>   | <b>223105</b>  | <b>0</b>       | <b>223105</b>  | <b>6.55</b>       | <b>227328</b>  | <b>0</b>       | <b>227328</b>  | <b>6.68</b>       | <b>+ 0.13</b>            |
| (2) Foreign  | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| a) NRI – Individuals   | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| b) Other – Individuals   | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| c) Bodies Corporate  | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| d) Banks / FI  | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| e) Any Other   | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| <b>Sub Total (A) (2)</b>   | <b>—</b>   | <b>—</b>       | <b>—</b>       | <b>—</b>          | <b>—</b>   | <b>—</b>       | <b>—</b>       | <b>—</b>          | <b>—</b>                 |
| <b>Total Shareholding of Promoter (A)=(A)(1) + (A)(2)</b>                        | <b>223105</b>  | <b>0</b>       | <b>223105</b>  | <b>6.55</b>       | <b>227328</b>  | <b>0</b>       | <b>227328</b>  | <b>6.68</b>       | <b>+ 0.13</b>            |
| <b>B. PUBLIC SHAREHOLDING</b>  |  |                |                |                   |  |                |                |                   |                          |
| <b>1. Institutions</b>   |  |                |                |                   |  |                |                |                   |                          |
| 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  | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| <b>Sub Total (B) (1)</b>   | <b>—</b>   | <b>—</b>       | <b>—</b>       | <b>—</b>          | <b>—</b>   | <b>—</b>       | <b>—</b>       | <b>—</b>          | <b>—</b>                 |
| <b>2. Non Institutions</b>   |  |                |                |                   |  |                |                |                   |                          |
| a) Bodies Corporate  |  |                |                |                   |  |                |                |                   |                          |
| i) Indian  | 76038  | 1000           | 77038          | 2.26              | 56688  | 1000           | 57688          | 1.69              | -0.57                    |
| ii) Overseas   | —  | —              | —              | —                 | —  | —              | —              | —                 | —                        |
| b) Individuals   |  |                |                |                   |  |                |                |                   |                          |
| i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh         | 1870190  | 888106         | 2758296        | 81.00             | 1903687  | 883606         | 2787293        | 81.85             | + 0.85                   |
| ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh | 163728   | 155645         | 319373         | 9.38              | 166328   | 155645         | 321973         | 9.45              | +0.07                    |
| c) Others  |  |                |                |                   |  |                |                |                   |                          |
| i) Clearing Members  | 20559  | 0              | 20559          | 0.60              | 3589   | 0              | 3589           | 0.11              | -0.49                    |
| ii) Non Resident Individuals   | 7129   | 0              | 7129           | 0.21              | 7629   | 0              | 7629           | 0.22              | +0.01                    |
| <b>Sub Total (B) (2)</b>   | <b>2137644</b>   | <b>1044751</b> | <b>3182395</b> | <b>93.45</b>      | <b>2137921</b>   | <b>1040251</b> | <b>3178172</b> | <b>93.32</b>      | <b>-0.13</b>             |
| <b>Total Public Shareholding (B) = (B)(1) + (B) (2)</b>                          | <b>2137644</b>   | <b>1044751</b> | <b>3182395</b> | <b>93.45</b>      | <b>2137921</b>   | <b>1040251</b> | <b>3178172</b> | <b>93.32</b>      | <b>-0.13</b>             |
| <b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>                           |  |                |                |                   |  |                |                |                   |                          |
| <b>GRAND TOTAL (A+B+C)</b>   | <b>2360749</b>   | <b>1044751</b> | <b>3405500</b> | <b>100</b>        | <b>2365249</b>   | <b>1040251</b> | <b>3405500</b> | <b>100</b>        | <b>—</b>                 |

**ii) Share Holding of promoters**

**Amount in Rs.**

| Sl. No. | Shareholder's Name                                  | Shareholding at the beginning of the year (as on 01-04-2017) |                                  |  | Share holding at the end of the year (as on 31-03-2018) |                                  |  | %change in share holding 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 VENKATA SWAMY                                     | 6070   | 0.18                             | —  | 6070  | 0.18                             | —  | —  |
| 3       | GHISULAL R JAIN                                     | 31011  | 0.91                             | —  | 32844   | 0.96                             | —  | —  |
| 4       | PRASHANT H DAVE                                     | 10459  | 0.31                             | —  | 10459   | 0.31                             | —  | —  |
| 5       | MADHUKUMARI<br>BHARAT KITAWAT                       | 1000   | 0.03                             | —  | 1000  | 0.03                             | —  | —  |
| 6       | GHISULAL JAIN                                       | 18030  | 0.53                             | —  | 18030   | 0.53                             | —  | —  |
| 7       | VEENA LAL WANI                                      | 15645  | 0.46                             | —  | 15645   | 0.46                             | —  | —  |
| 8       | MANJULA TEJRAJ<br>SURANA TEJRAJ<br>DEVICHAND SURANA | 1200   | 0.04                             | —  | —   | —                                | —  | 0.04                                     |
| 9       | BABULAL JAIN  | 6321   | 0.19                             | —  | 6321  | 0.19                             | —  | —  |
| 10      | POOJA H   | 12010  | 0.35                             | —  | —   | —                                | —  | 0.35                                     |
| 11      | SUBHASH B LAL WANI                                  | 16400  | 0.48                             | —  | 16400   | 0.48                             | —  | —  |
| 12      | SURESH KUMAR  | 1000   | 0.03                             | —  | 1000  | 0.03                             | —  | —  |
| 13      | PUSHPA DAVE<br>HARIPRASAD DAVE                      | 5357   | 0.16                             | —  | 5357  | 0.16                             | —  | —  |
| 14      | UMADEVI BABULAL JAIN                                | 5452   | 0.16                             | —  | 5452  | 0.16                             | —  | —  |
| 15      | UTTAM P JAIN  | 1000   | 0.03                             | —  | 1000  | 0.03                             | —  | —  |
| 16      | UPPDESH KUMAR                                       | 779  | 0.02                             | —  | 779   | 0.02                             | —  | —  |
| 17      | ASHA SHAILESH JAIN<br>SHAILESH H JAIN               | 1000   | 0.03                             | —  | 1000  | 0.03                             | —  | —  |
| 18      | ABHILEKHA JAIN                                      | 42145  | 1.24                             | —  | 42145   | 1.24                             | —  | +0.06                                    |
| 19      | SUREKHA PRASHANT<br>DAVE                            | 8200   | 0.24                             | —  | 8200  | 0.24                             | —  | —  |
| 20      | ABHISHEK JAIN                                       | 14651  | 0.43                             | —  | 14651   | 0.43                             | —  | —  |
| 21      | JAYSHREE SANJAY<br>PATNI SANJAY<br>BIRDICHAND PATNI | 18075  | 0.53                             | —  | 18075   | 0.53                             | —  | —  |
| 22      | SATISH CHAND  | —  | —                                | —  | 13600   | 0.40                             | —  | +0.40                                    |
|         | Total   | 223105   | 6.55                             | —  | 223105  | 6.68                             | —  | + 0.13                                   |

## (iii) Change in Promoters' Shareholding (Please specify, if there is no change)

| Sl. No. |  | Shareholding at the beginning of the year<br>( as on 01-04-2017) |                                  | Cumulative Shareholding during the year (01-04-2017 – 31-03-2018) |                                  |
|---------|--|--|----------------------------------|---|----------------------------------|
|         |  | No. of Shares  | % of total Shares of the company | No. of Shares   | % of total Shares of the company |
|         | MANJULA TEJRAJ SURANA<br>TEJRAJ DEVICHAND SURANA |  |                                  |   |                                  |
|         | AT THE BEGINNING OF THE YEAR                     | 1200   | 0.04                             | 1200  | 0.04                             |
|         | DECREASE   | 1200   | 0.04                             | -   | -                                |
|         | AT THE END OF THE YEAR                           | -  | -                                | -   | -                                |
|         | POOJA H  |  |                                  |   |                                  |
|         | AT THE BEGINNING OF THE YEAR                     | 12010  | 0.35                             | 12010   | 0.35                             |
|         | DECREASE   | 12010  | 0.35                             | -   | -                                |
|         | AT THE END OF THE YEAR                           | -  | -                                | -   | -                                |
|         | SATISH CHAND                                     |  |                                  |   |                                  |
|         | AT THE BEGINNING OF THE YEAR                     | -  | -                                | -   | -                                |
|         | INCREASE   | 13600  | 0.40                             | 13600   | 0.40                             |
|         | AT THE END OF THE YEAR                           | -  | -                                | 13600   | 0.40                             |

## (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 [01-04-2017] |                                  | Date | Increase / Decrease | Reason                       | Cumulative Shareholding during the year [31-03-2018] |                                  |
|---------|--|--|----------------------------------|------|---------------------|------------------------------|--|----------------------------------|
|         |  | No. of Shares  | % of total Shares of the company |      |                     |                              | No. of Shares  | % of total Shares of the company |
| 1       | MANJULA LALWANI  | 57420  | 1.69                             |      |                     | Nil Movement during the year | 57420  | 1.69                             |
| 2       | SUREKHA P DAVE   | 47840  | 1.40                             |      |                     | Nil Movement during the year | 47840  | 1.40                             |
| 3       | ANIL VISHANJI<br>DEDHIA / SANDHYA<br>ANIL DEDHIA           | 35000  | 1.03                             |      |                     | Nil Movement during the year | 35000  | 1.03                             |
| 4       | SHOUNAK PRADEEP<br>THAKER / RASIKLAL<br>LABHSHANKER THAKER | 28357  | 0.83                             |      |                     | Nil Movement during the year | 28357  | 0.83                             |
| 5       | AJAY DAVE  | 25875  | 0.76                             |      | 100                 |                              | 25875  | 0.76                             |
| 5       | SUDHIR N KALPANA S   | 22500  | 0.66                             |      |                     | Nil Movement during the year | 22500  | 0.66                             |
| 7       | AJAY GUPTA   | 20901  | 0.61                             | 9100 |                     |                              | 30001  | 0.88                             |
| 8       | ROHIT SABOO  | 17375  | 0.51                             |      |                     | Nil Movement during the year | 17375  | 0.51                             |
| 9       | MANOHAR<br>BUDHOMAL JAISINGHANI                            | 15390  | 0.45                             |      |                     | Nil Movement during the year | 15390  | 0.45                             |
| 10      | MANJULA AGARWAL  | -  | -                                | -    |                     |                              | 16,532   | 0.49                             |
| 11      | SUNIL P SAPANI   | 15000  | 0.44                             |      |                     | Nil Movement during the year | 15000  | 0.44                             |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No.   |                                 | Shareholding at the beginning of the year [01-04-2017] |                                  | Date | Increase / Decrease | Reason | Cumulative Shareholding during the year [31-03-2018] |                                  |
|-----------|---------------------------------|--|----------------------------------|------|---------------------|--------|--|----------------------------------|
|           |                                 | No. of Shares  | % of total Shares of the company |      |                     |        | No. of Shares  | % of total Shares of the company |
| <b>A</b>  | <b>Directors</b>                |  |                                  |      |                     |        |  |                                  |
| 1         | Dr Ghisulal Jain                | 18030  | 0.53                             | —    | —                   | —      | 18030  | 0.53                             |
| 2         | Seema Jain                      | 25875  | 0.76                             | —    | —                   | —      | 25875  | 0.76                             |
| 3         | Mahendra Kumar Ranka            | —  | —                                | —    | —                   | —      | —  | —                                |
| 5         | G Uday Kumar                    | —  | —                                | —    | —                   | —      | —  | —                                |
| 6         | M Sudheer Anand                 | —  | —                                | —    | —                   | —      | —  | —                                |
| <b>B.</b> | <b>Key Managerial Personnel</b> | —  | —                                | —    | —                   | —      | —  | —                                |

**VI. INDEBTEDNESS**

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

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

## 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) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 150000                 | — |  |  | 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             |                   |   |   |   | Nil          |
|         | ● Fee for attending board committee meetings |                   |   |   |   |              |
|         | ● Commission                                 |                   |   |   |   |              |
|         | ● Others, please specify                     |                   |   |   |   |              |
|         | 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<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL                      |
| 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) |
|-------------------------------------|------------------------------|-------------------|--|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                              |                                    |
| Penalty                             | —                            | —                 | —  | —                            | —                                  |
| Punishment                          | —                            | —                 | —  | —                            | —                                  |
| Compounding                         | —                            | —                 | —  | —                            | —                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                              |                                    |
| Penalty                             | —                            | —                 | —  | —                            | —                                  |
| Punishment                          | —                            | —                 | —  | —                            | —                                  |
| Compounding                         | —                            | —                 | —  | —                            | —                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                              |                                    |
| Penalty                             | —                            | —                 | —  | —                            | —                                  |
| Punishment                          | —                            | —                 | —  | —                            | —                                  |
| Compounding                         | —                            | —                 | —  | —                            | —                                  |
|                                     |                              |                   |  |                              |                                    |



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of PHARMAIDS PHARMACEUTICALS LIMITED**

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of PHARMAIDS PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of 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.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at 31 March, 2018, its Loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 27.2 to the financial statements which describes about Non-confirmation /reconciliation of trade receivables and trade payables.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; 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 read with Companies (Audit and Auditors) Amendment Rules, 2017 , in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Rakesh S Jain & Associates  
Chartered Accountants  
Firm Registration No. 010129S**

**Sd/-**

**(B.Ramesh Kumar)**

**Partner**

**M.No: 200304**

**Place: Hyderabad**

**Date: 5-5-2018**

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

- (i) a) According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations furnished to us, all the assets has been physically verified by the Management during the year.
- (ii) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans to any of the parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues applicable to it.  
  
(b) According to the information and explanations given to us, there are no dues of income tax sales tax, duty of excise, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the records of the Company examined by us and information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

- (ix) According to the records of the Company examined by us and information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us, in our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Rakesh S Jain & Associates**  
**Chartered Accountants**  
**FRN: 010129S**

**Sd/-**  
**(B.Ramesh Kumar)**  
**Partner**  
**M.No: 200304**

**Place: Hyderabad**  
**Date: 5-5-2018**

## **“Annexure – B” to the Auditors' Report**

### **Report on the Internal Financial Controls under the Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013(‘the Act)**

We have audited the internal financial controls over financial reporting of PHARMAIDS PHARMACEUTICALS LIMITED (“the Company”) as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 its 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 Companies Act, 2013 (“the Act”).

#### **Auditors Responsibility:**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Rakesh S Jain & Associates  
Chartered Accountants  
FRN: 010129S**

**Sd/-  
(B.Ramesh Kumar)  
Partner  
M.No: 200304**

**Place: Hyderabad  
Date: 5-5-2018**

## **PHARMAIDS PHARMCEUTICALS LTD**

### **Notes to the IND AS financial Statements**

#### **1 Company background**

Pharmaids Pharmaceuticals Limited (the Company) is a Listed Company incorporated under the provisions of the Indian Companies Act, 1956 having its registered office at Sultan Bazar, Hyderabad. The company operates in a single segment and the results pertain to a single segment. i.e., drug formulation only.

The standalone Indian Accounting Standards (Ind AS) financial statements were authorized for issue in accordance with a resolution of the Directors dated 5 May 2018.

#### **2 Basis of preparation of financial statements**

##### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013, (the "Act") and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under section 133 of the Act and other provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101- First Time Adoption of Indian Accounting Standards has been applied.

##### **2.2 Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is also the Company's functional currency. All the amounts have been rounded-off to the nearest Rupee.

##### **2.3 Basis of preparation**

The financial statements have been prepared on the historical cost basis, Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### **2.4 Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.



### 3 Significant accounting policies

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

#### 3.01 Property, plant and equipment

**i. Recognition and measurement** Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

**iii. Subsequent expenditure** : Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Indian GAAP for all items of property, plant and equipment.

**iv. Depreciation** : Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

| <b><u>Assets</u></b> | <b><u>estimate of useful life</u></b> |
|----------------------|---------------------------------------|
| Plant & Machinery    | 5                                     |

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided

on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**v. Reclassification to investment property** When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

### **3.02 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. 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.

#### **3.02.1 Recognition of dividend income, interest income or expense**

##### **a) Dividend income**

Dividends are recognised in profit or loss on the date on which the Company's right to receive payment is established.

##### **b) Interest income or expense**

Interest income or expense is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of a financial asset; or- the amortised cost of financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross carrying amount.

### **3.03 Taxes**

Income tax comprises current and deferred tax. It is recognised in profit or loss.

#### **3.03.1 Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date. Current tax assets and current tax liabilities are offset only if

there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **3.03.2 Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:- temporary difference arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in any case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

### **3.04 Provisions and contingent liabilities**

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-fix rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

**Contingent Liabilities :** A contingent liability is a possible obligation that arises from past events and whose existence 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 is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

### **3.05 Employee benefits :Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### **3.06 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

### **3.07 Inventories**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **3.08 Cash and cash equivalents**

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.

### **3.09 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

### **3.10 Impairment of assets**

An impairment loss is recognised 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 groups of assets (cash-generating units).

**PHARMAIDS PHARMCEUTICALS LTD****Balance Sheet as at 31<sup>st</sup> March, 2018**

Amount in Rs.

|  | Note No. | As on 31/03/2018  | As on 31/03/2017  |
|--|----------|-------------------|-------------------|
| <b>ASSETS</b>                                    |          |                   |                   |
| <b>1. Non-current Assets</b>                     |          |                   |                   |
| Property, plant and equipment                    | 1        | 22,512            | -                 |
| Financial assets                                 |          |                   |                   |
| - Non-Current Assets                             |          | -                 | -                 |
| - Long-term loans and advances                   | 2        | 4,880,256         | 3,795,514         |
| - Others   |          |                   |                   |
| Deferred tax assets (Net)                        | 3        | 1,816             | -                 |
| Other non-current assets                         | 4        | 530,000           | -                 |
| <b>2. Current assets</b>                         |          |                   |                   |
| Inventories                                      | 5        | -                 | 2,445,711         |
| Financial assets                                 |          |                   |                   |
| - Trade and other receivables                    | 6        | 5,155,587         | 7,876,906         |
| - Cash and cash equivalents                      | 7        | 2,363,716         | 6,087,061         |
| - Short term loans and advances                  | 8        | -                 | -                 |
| Other current assets                             | 9        | -                 | -                 |
| <b>TOTAL ASSETS</b>                              |          | <b>12,953,888</b> | <b>20,205,192</b> |
| <b>EQUITY AND LIABILITIES</b>                    |          |                   |                   |
| <b>Equity</b>                                    |          |                   |                   |
| Share capital                                    | 10       | 33,630,850        | 33,630,850        |
| Other equity                                     | 11       |                   |                   |
| - Equity component of other financial instrument |          |                   |                   |
| - Retained earnings                              |          | (23,210,753)      | (19,353,363)      |
| Share application money pending allotment        |          |                   |                   |
| <b>1. Non-current liabilities</b>                |          |                   |                   |
| Financial liabilities                            |          |                   |                   |
| - Long term borrowings                           | 12       | -                 | -                 |
| Long term provisions                             | 13       | -                 | -                 |
| Deferred tax liabilities (Net)                   | 14       | -                 | -                 |
| Other non-current liabilities                    | 15       | 252,375           | 926,413           |
| <b>2. Current liabilities</b>                    |          |                   |                   |
| Financial liabilities                            |          |                   |                   |
| - Short term borrowings                          | 16       | -                 | -                 |
| - Trade and other payables                       | 17       | 1,847,985         | 4,477,852         |
| Other current liabilities                        | 18       | 433,430           | 523,440           |
| Short-term provisions                            | 19       | -                 | -                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>              |          | <b>12,953,888</b> | <b>20,205,192</b> |

**See accompanying notes to the financial statements 27**

As per our report of even date attached

**For Rakesh S Jain & Associates For. Pharmaids Pharmceuticals Limited**

Chartered Accountants

Firm Registration Number: 010129S

Sd/- B.Ramesh Kumar

Partner

Membership Number: 200304

Place: Hyderabad

Date: 5-5-2018

Sd/- Dr. Ghisulal Jain [DIN No.00404983]

Chairman &amp; Managing Director

Sd/- Seema Jain

Director &amp; CEO [DIN No.07183851]

PHARMAIDS PHARMCEUTICALS LTD

Statement of Profit and Loss for the year ended March 31,2018

Amount in Rs.

|  | Note no.  | For the year ended<br>31/03/2018 | For the year ended<br>31/03/2017 |
|--|-----------|----------------------------------|----------------------------------|
| <b>Revenue from operations</b>   | <b>20</b> | 4,491,436                        | 12,025,258                       |
| <b>Other income</b>  | <b>21</b> | 200,717                          | 100,696                          |
| <b>Total revenue</b>   |           | <b>4,692,153</b>                 | <b>12,125,954</b>                |
| <b>Expenses</b>  |           |                                  |                                  |
| Cost of materials consumed   |           | 346,861                          | 6,448,720                        |
| Purchase of stock-in-trade   |           | 2,418,509                        | -                                |
| Changes in inventories of finished goods,<br>work in progress and stock-in-trade | <b>22</b> | 2,178,825                        | 295,344                          |
| Employee benefit expenses  | <b>23</b> | 629,832                          | 1,663,207                        |
| Finance cost   | <b>24</b> | 14,043                           | 401,319                          |
| Depreciation and amortisation expense  | <b>1</b>  | 10,888                           | 637,086                          |
| Other expenses   | <b>25</b> | 2,778,939                        | 7,052,605                        |
| <b>Total expenses</b>  |           | <b>8,377,898</b>                 | <b>16,498,280</b>                |
| <b>Profit/ (loss) before exceptional items and tax</b>                           |           | <b>(3,685,745)</b>               | <b>(4,372,326)</b>               |
| Exceptional items  |           | -                                | 5,197,058                        |
| <b>Profit/ (loss) before tax</b>   |           | <b>(3,685,745)</b>               | <b>824,732</b>                   |
| <b>Tax expenses</b>  | <b>26</b> | 171,645                          | (272,161)                        |
| <b>Profit/ (loss) for the period from continuing operations</b>                  |           | <b>(3,857,390)</b>               | <b>1,096,893</b>                 |
| <b>Profit/ (loss) from discontinued operations</b>                               |           | -                                | -                                |
| Tax expense of discontinued operations   |           | -                                | -                                |
| <b>Profit/ (loss) from discounting operations (after tax)</b>                    |           | -                                | -                                |
| <b>Profit/ (loss) for the period</b>   |           | <b>(3,857,390)</b>               | <b>1,096,893</b>                 |
| <b>Other comprehensive income</b>  |           |                                  |                                  |
| <b>Total comprehensive income for the period</b>                                 |           | <b>(3,857,390)</b>               | <b>1,096,893</b>                 |
| <i>(Profit/ loss + other comprehensive income)</i>                               |           |                                  |                                  |
| <b>Earnings per equity share (for continuing operations)</b>                     |           |                                  |                                  |
| a) Basic   |           | (1.13)                           | 0.32                             |
| b) Diluted   |           | (1.13)                           | 0.32                             |
| <b>Earnings per equity share (for discontinued operations)</b>                   |           |                                  |                                  |
| a) Basic   |           | -                                | -                                |
| b) Diluted   |           | -                                | -                                |
| <b>Earnings per equity share (for discontinued &amp; continuing operations)</b>  |           |                                  |                                  |
| a) Basic   |           | (1.13)                           | 0.32                             |
| b) Diluted   |           | (1.13)                           | 0.32                             |

See accompanying notes to the financial statements 27

As per our report of even date attached

**For Rakesh S Jain & Associates**

Chartered Accountants

Firm Registration Number: 010129S

Sd/- B.Ramesh Kumar

Partner

**For Pharmaids Pharmceuticals Limited**

Sd/- Dr. Ghisulal Jain [DIN No.00404983]

Chairman & Managing Director

Membership Number: 200304

Place: Hyderabad

Date: 5-5-2018

Sd/- Seema Jain

Director & CEO [DIN No.07183851]

PHARMAIDS PHARMCEUTICALS LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

Amount in Rs.

|   | For the year<br>3103-2018 | For the Year<br>31-03-2017 |
|---|---------------------------|----------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |                           |                            |
| Net Profit after Interest & Depreciation but before Tax                                       | (3,685,745)               | 824,732                    |
| Depreciation  | 10,888                    | 637,086                    |
| Interest paid   | -                         | 385,372                    |
| Interest received   | (200,717)                 | (100,571)                  |
| Loss on Sale of Fixed Assets  | -                         | -                          |
| Profit on Sale of Assets / Investments  | -                         | -                          |
| Bad Debts Written Off   | -                         | -                          |
| <b>Operating Profit before working capital changes</b>  | <b>(3,875,574)</b>        | <b>1,746,619</b>           |
| <b>Adjustments for :</b>  |                           |                            |
| Trade and Other Payables  | (2,629,867)               | 28,255                     |
| Inventories   | 2,445,711                 | 434,076                    |
| Trade receivables   | 2,721,319                 | 2,865,586                  |
| Loan and advances   | -                         | -                          |
| Other Assets  | (530,000)                 | -                          |
| other current liability   | (90,011)                  | (1,815,839)                |
| <b>Cash generated from operations</b>   | <b>(1,958,421)</b>        | <b>3,258,697</b>           |
| Add: Income Tax paid  | (173,461)                 | -                          |
| Miscellaneous Expenditure   | -                         | -                          |
| <b>Net Cash flow from Operating activities (before &amp; after extraordinary items) " A "</b> | <b>(2,131,882)</b>        | <b>3,258,697</b>           |
| <b>B. Net Cash from Investing activities :</b>  |                           |                            |
| (Purchase ) / Sale of fixed assets  | (33,400)                  | 3,730,442                  |
| Capital Work in Progress  | -                         | -                          |
| Increase in Creditors for Capital Goods   | -                         | -                          |
| (Purchase ) / Sale of investments   | -                         | -                          |
| Interest received   | 200,717                   | 100,571                    |
| investment in vardhaman bank(dividend income)   | -                         | 1,250                      |
| Sale of Fixed Assets  | -                         | -                          |
| Sale of Investments   | -                         | -                          |
| Long Term Loans and Advances  | (1,084,742)               | (575,091)                  |
| <b>Net cash flow from Investing activities " B "</b>  | <b>(917,425)</b>          | <b>3,257,172</b>           |
| <b>C. Cash Flow from Financing activities</b>   |                           |                            |
| Issue of Share Capital  | -                         | -                          |
| Bank borrowings & Unsecured Loan  | (674,038)                 | (1,804,424)                |
| Dividend and Dividend Distribution Tax Paid   | -                         | -                          |
| Interest paid   | -                         | (385,372)                  |
| <b>Net Cash flow from Financing activities " C "</b>  | <b>(674,038)</b>          | <b>(2,189,796)</b>         |
| <b>D Net ( Decrease ) / Increase in Cash and Cash Equivalents ( A + B + C )</b>               | <b>(3,723,345)</b>        | <b>4,326,073</b>           |
| Cash and Cash Equivalents at the beginning  | 6,087,061                 | 1,760,989                  |
| Cash and Cash Equivalents at the end  | 2,363,716                 | 6,087,061                  |

As per our report of even date attached

**For Rakesh S Jain & Associates**

Chartered Accountants

Firm Registration Number: 010129S

Sd/- B.Ramesh Kumar

Partner

**For Pharmaids Pharmceuticals Limited**

Sd/- Dr. Ghisulal Jain [DIN No.00404983]

Chairman & Managing Director

Membership Number: 200304

Place: Hyderabad

Date: 5-5-2018

Sd/- Seema Jain

Director & CEO [DIN No.07183851]

PHARMAIDS PHARMCEUTICALS LTD

Statement of changes in equity for the year ended 31 March 2018

Amount in INR lakhs

| <b>For the year ended 31 March 2017</b>                     |                      |                                   |                          |                        |                     |
|---|----------------------|-----------------------------------|--------------------------|------------------------|---------------------|
| <b>Particulars</b>  | <b>Share Capital</b> | <b>Reserves and Surplus</b>       |                          |                        | <b>Total equity</b> |
|   |                      | <b>Capital redemption reserve</b> | <b>Retained Earnings</b> | <b>Capital Reserve</b> |                     |
| <b>Balance as at 1 April 2016</b>                           | <b>336.31</b>        | <b>-</b>                          | <b>(204.50)</b>          | <b>-</b>               | <b>131.81</b>       |
| Total comprehensive income for the year ended 31 March 2017 | -                    | -                                 | 10.97                    | -                      | 10.97               |
| Other comprehensive income (net of tax) (refer note 23)     | -                    | -                                 | -                        | -                      | -                   |
|   | <b>336.31</b>        | <b>-</b>                          | <b>(193.53)</b>          | <b>-</b>               | <b>142.77</b>       |
| <b>Transactions recorded directly in equity</b>             |                      |                                   |                          |                        |                     |
| <b>Contributions and distributions:</b>                     |                      |                                   |                          |                        |                     |
| Nil   | -                    | -                                 | -                        | -                      | -                   |
| <b>Balance as at 31 March 2017</b>                          | <b>336.31</b>        | <b>-</b>                          | <b>(193.53)</b>          | <b>-</b>               | <b>142.77</b>       |

| <b>For the year ended 31 March 2018</b>                     |                      |                                   |                          |                        |                     |
|---|----------------------|-----------------------------------|--------------------------|------------------------|---------------------|
| <b>Particulars</b>  | <b>Share Capital</b> | <b>Reserves and Surplus</b>       |                          |                        | <b>Total equity</b> |
|   |                      | <b>Capital redemption reserve</b> | <b>Retained Earnings</b> | <b>Capital Reserve</b> |                     |
| <b>Balance as at 1 April 2017</b>                           | <b>336.31</b>        | <b>-</b>                          | <b>(193.53)</b>          | <b>-</b>               | <b>142.77</b>       |
| Total comprehensive income for the year ended 31 March 2018 | -                    | -                                 | (38.57)                  | -                      | (38.57)             |
| Other comprehensive income (net of tax) (refer note 23)     | -                    | -                                 | -                        | -                      | -                   |
| <b>Balance as at 31 March 2018</b>                          | <b>336.31</b>        | <b>-</b>                          | <b>(232.11)</b>          | <b>-</b>               | <b>104.20</b>       |
| <b>Transactions recorded directly in equity</b>             |                      |                                   |                          |                        |                     |
| <b>Contributions and distributions:</b>                     |                      |                                   |                          |                        |                     |
| Nil   | -                    | -                                 | -                        | -                      | -                   |
| <b>Balance as at 31 March 2018</b>                          | <b>336.31</b>        | <b>-</b>                          | <b>(232.11)</b>          | <b>-</b>               | <b>104.20</b>       |

As per our report of even date attached

**For Rakesh S Jain & Associates**  
Chartered Accountants  
Firm Registration Number: 010129S  
Sd/- B.Ramesh Kumar  
Partner

**For Pharmaids Pharmceuticals Limited**  
Sd/- Dr. Ghisulal Jain [DIN No.00404983]  
Chairman & Managing Director

Membership Number: 200304  
Place: Hyderabad  
Date: 5-5-2018

Sd/- Seema Jain  
Director & CEO [DIN No.07183851]



**PHARMAIDS PHARMCEUTICALS LTD**  
**Note No.1 : PROPERTY, PLANT AND EQUIPMENT**

Amount in Rs.

| Sl.No. | PARTICULARS       | Gross Block      |                           |   |                             | Rate of Depreciation | Depreciation/Amortization        |                  |                       |                             | Net Block as on 31.03.2018 | Net Block as on 31.03.2017 |
|--------|-------------------|------------------|---------------------------|---|-----------------------------|----------------------|----------------------------------|------------------|-----------------------|-----------------------------|----------------------------|----------------------------|
|        |                   | As on 01.04.2017 | Additions during the year | Additions through Business acquisitions | Capitalised during the year |                      | Sale / Deletions during the year | As on 31.03.2018 | Dep. As on 01.04.2017 | Dep. For the year 2017-2018 |                            |                            |
| 1      | PLANT & MACHINERY | -                | 33,400                    | -                                       | -                           | 33,400               | -                                | 10,888           | -                     | 10,888                      | 22,512                     | -                          |
|        | TOTAL             | -                | 33,400                    | -                                       | -                           | 33,400               | -                                | 10,888           | -                     | 10,888                      | 22,512                     | -                          |
|        | Previous Year     | 21,184,579       | -                         | -                                       | -                           | -                    | 16,817,051                       | 637,086          | 5,197,058             | 8,927,500                   | -                          | 4,367,527                  |

**PHARMAIDS PHARMCEUTICALS LTD****Note Number to Balance Sheet****Note No.2 : LONG TERM LOANS AND ADVANCES**

Amount in Rs.

| S. No | Particulars   | As on            | As on            |
|-------|---|------------------|------------------|
|       |   | 31/03/2018       | 31/03/2017       |
| 1     | Long - Term Loans and Advances:   |                  |                  |
|       | a) Security Deposit   |                  |                  |
|       | Secured   | -                | -                |
|       | Unsecured   | 1,202,218        | 1,181,097        |
|       | (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   | 3,678,038        | 2,614,417        |
|       | <b>Total Long Term Loans &amp; Advances</b>   | <b>4,880,256</b> | <b>3,795,514</b> |

**Note No.3 : DEFERRED TAX ASSET (NET)**

| S. No | Particulars                                      | As on        | As on      |
|-------|--|--------------|------------|
|       |  | 31/03/2018   | 31/03/2017 |
| 1     | Opening Deferred tax Asset                       | -            | -          |
|       | Add:   |              |            |
|       | Deferred Tax Asset for the year                  |              |            |
|       | (Due to SLM and WDV Difference )                 | 1,816        | -          |
|       | Deferred Tax Asset for the year (Due to Others ) |              |            |
|       | Gross Deferred tax Asset                         | 1,816        | -          |
|       | Opening Deferred tax Liability                   |              |            |
|       | Provision for Gratuity and Compensated           |              |            |
|       | Absences and doubtful debt                       | -            | -          |
|       | Gross Deferred tax Liability                     | -            | -          |
|       | <b>Deferred Tax Asset/ (Liability ) - Net</b>    | <b>1,816</b> | <b>-</b>   |

**Note No.4 : OTHER NON-CURRENT ASSETS**

| S. No | Particulars                     | As on          | As on      |
|-------|---------------------------------|----------------|------------|
|       |                                 | 31/03/2018     | 31/03/2017 |
| 1     | Other non- current Asset        |                |            |
|       | Product Development advances    | 530,000        | -          |
| -     |                                 |                |            |
|       | <b>Total Non Current Assets</b> | <b>530,000</b> | <b>-</b>   |

**Note No.5 : INVENTORIES**

Amount in Rs.

| S. No | Particulars              | As on      | As on            |
|-------|--------------------------|------------|------------------|
|       |                          | 31/03/2018 | 31/03/2017       |
| 1     | Inventories :            |            |                  |
|       | a) Raw materials         | -          | 266,886          |
|       | b) Work - in - progress  | -          | -                |
|       | c) Finished goods        | -          | 2,178,825        |
|       | <b>Total Inventories</b> | <b>-</b>   | <b>2,445,711</b> |

**Note No.6 : TRADE AND OTHER RECEIVABLES**

| S. No | Particulars                               | As on            | As on             |
|-------|---|------------------|-------------------|
|       |   | 31/03/2018       | 31/03/2017        |
| 1     | Trade Receivables                         |                  |                   |
|       | Secured, Considered Good                  | -                | -                 |
|       | Unsecured, Considered Good                |                  |                   |
|       | Less than Six months                      | 1,369,945        | 4,075,805         |
|       | More than Six months                      | 3,785,642        | 7,034,773         |
|       | Doubtful                                  | -                | -                 |
|       |   | <b>5,155,587</b> | <b>11,110,578</b> |
|       | Other Receivables:                        |                  |                   |
|       | Secured, Considered Good                  | -                | -                 |
|       | Unsecured, Considered Good                |                  |                   |
|       | Doubtful                                  | -                | -                 |
|       | Total Trade Receivable ( Gross)           | 5,155,587        | 11,110,578        |
|       | Less : Provision for bad & doubtful debts | -                | 3,233,672         |
|       | <b>Total Trade Receivables(net)</b>       | <b>5,155,587</b> | <b>7,876,906</b>  |

**Note No.7 : CASH AND CASH EQUIVALENTS**

| S. No | Particulars                            | As on            | As on            |
|-------|--|------------------|------------------|
|       |  | 31/03/2018       | 31/03/2017       |
| 1     | Cash and cash equivalents :            |                  |                  |
|       | a) Balances with banks :               |                  |                  |
|       | 1) On Current Accounts                 | 459,359          | 613,300          |
|       | 2) On Deposit Accounts                 | 1,097,402        | 4,657,086        |
|       | b) Cash on hand                        | 806,956          | 816,675          |
|       | <b>Total Cash and Cash Equivalents</b> | <b>2,363,717</b> | <b>6,087,061</b> |

**Note No.8 : SHORT TERM LOANS AND ADVANCES**

Amount in Rs.

| S. No | Particulars  | As on                          | As on                          |
|-------|--|--------------------------------|--------------------------------|
|       |  | 31/03/2018                     | 31/03/2017                     |
| 1     | Short - Term Loans and Advances:<br>a) Other loans And advances<br>Unsecured<br><br>(Loans and advances consist of mobilisation advance to contactors ,advance to supplier and Travel advance to employees )<br><br><b>Total Short Term Loans &amp; Advances</b> | -<br><br><br><br><br><br><br>- | -<br><br><br><br><br><br><br>- |

**Note No.9 : OTHER CURRENT ASSETS**

| S. No | Particulars                                      | As on      | As on      |
|-------|--|------------|------------|
|       |  | 31/03/2018 | 31/03/2017 |
| 1     | Prepaid Expenses<br>Interest Accrued on Deposits | -<br>-     | -<br>-     |

**Note No.10 : SHARE CAPITAL**

| S. No | Particulars  | As on  | As on  |
|-------|--|--|--|
|       |  | 31/03/2018   | 31/03/2017   |
| a     | Equity Share Capital<br>(a) Authorised<br>40,00,000 Equity Shares of Rs.10/- each<br>(b) Issued, Subscribed and Paid-up<br>34,05,500 Equity Shares of Rs.10/- each fully paid up.<br>Less: Calls in Arrear<br><br>Total Equity Share Capital | <b>40,000,000</b><br><br><b>34,055,000</b><br><br>424,150<br><br><b>33,630,850</b> | <b>40,000,000</b><br><br><b>34,055,000</b><br><br>424,150<br><br><b>33,630,850</b> |
| b     | A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:<br>Equity Shares of Re.10 Each, Fully paid up :<br>At the Beginning<br>Issued during the year<br>At the end                    | Number of Shares<br><br>3,405,500<br>-<br>3,405,500                                | Number of Shares<br><br>3,405,500<br>-<br>3,405,500                                |
| 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 2017 and as on 31st, March 2018

**Note No.11 : OTHER EQUITY****Amount in Rs.**

| S. No | Particulars  | As on               | As on               |
|-------|--|---------------------|---------------------|
|       |  | 31/03/2018          | 31/03/2017          |
| I     | Other Equity                                       |                     |                     |
|       | a) Capital Subsidy                                 |                     |                     |
|       | As at the commencement of the year                 | 993,750             | 993,750             |
|       | Add: Additions during the year                     | -                   | -                   |
|       | Less: Utilised during the year                     | 993,750             | 993,750             |
|       | 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                                 | (20,347,113)        | (21,444,006)        |
|       | Add: Total comprehensive income during the year    | (3,857,390)         | 1,096,893           |
|       | Less: Bonus shares / ( Forfeiture of Bonus shares) | -                   | -                   |
|       |  | (24,204,503)        | (20,347,113)        |
|       | <b>Total Reserves and Surplus</b>                  | <b>(23,210,753)</b> | <b>(19,353,363)</b> |

**Note No.12 : LONG TERM BORROWINGS**

| S. No | Particulars                                | As on      | As on      |
|-------|--|------------|------------|
|       |  | 31/03/2018 | 31/03/2017 |
| 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 )          |            |            |
|       | <b>Total Long Term Borrowings</b>          | <b>-</b>   | <b>-</b>   |

**Note No.13 : LONG TERM PROVISIONS**

| S. No | Particulars                         | As on      | As on      |
|-------|-------------------------------------|------------|------------|
|       |                                     | 31/03/2018 | 31/03/2017 |
| I     | a) Provisions for employee benefits | -          | -          |
|       | <b>Total Long Term Provisions</b>   | <b>-</b>   | <b>-</b>   |

**Note No.14 : DEFERRED TAX LIABILITIES (NET)****Amount in Rs.**

| S. No  | Particulars  | As on      | As on      |
|--|--|------------|------------|
|  |  | 31/03/2018 | 31/03/2017 |
| I  | Opening Deferred tax Liability   | -          |            |
|  | Add:   |            |            |
|  | Deferred Tax Liability for the year<br>(Due to SLM and WDV Difference) |            |            |
|  | Deferred Tax Liability for the year<br>(Due to Others )                |            |            |
|  | Gross Deferred tax Liability   | -          | -          |
|  | Opening Deferred tax Asset   |            |            |
| Provision for Gratuity and Compensated<br>Absences and doubtful debt | -  |            |            |
| Gross Deferred tax Asset   | -  | -          |            |
| <b>Deferred Tax Liability/ ( Asset ) - Net</b>                       | -  | -          |            |

**Note No.15 : OTHER LONG TERM LIABILITIES**

| S. No | Particulars                              | As on          | As on          |
|-------|--|----------------|----------------|
|       |  | 31/03/2018     | 31/03/2017     |
|       | a) Trade Payables & Others               | -              | -              |
|       | - Advance from Customers                 | -              | -              |
|       | b) Others                                | -              | -              |
|       | Sales Tax Deferral** (refer note)        | 252,375        | 926,413        |
|       | <b>Total other long term liabilities</b> | <b>252,375</b> | <b>926,413</b> |

\*\*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.16 : SHORT TERM BORROWINGS**

| S. No                                      | Particulars                              | As on      | As on      |
|--|--|------------|------------|
|  |  | 31/03/2018 | 31/03/2017 |
| 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                                  |  |            |            |
| <b>Total Short Term Borrowings</b>         | -  | -          |            |

**Note No.17 : TRADE AND OTHER PAYABLES****Amount in Rs.**

| S. No | Particulars                 | As on            | As on            |
|-------|-----------------------------|------------------|------------------|
|       |                             | 31/03/2018       | 31/03/2017       |
| I     | a) Trade Payables           | 1,847,985        | 4,477,852        |
|       | <b>Total Trade Payables</b> | <b>1,847,985</b> | <b>4,477,852</b> |

**Note No.18 : OTHER CURRENT LIABILITES**

| S. No | Particulars                                   | As on          | As on          |
|-------|---|----------------|----------------|
|       |   | 31/03/2018     | 31/03/2017     |
| 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                             | 155,605        | 258,663        |
|       | f) Others                                     |                |                |
|       | Sales Tax Deferral** (refer note)             | 277,825        | 264,777        |
|       | <b>Total Other Current Liabilities</b>        | <b>433,430</b> | <b>523,440</b> |

\*\*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.19 : SHORT TERM PROVISIONS**

| S. No | Particulars                         | As on      | As on      |
|-------|-------------------------------------|------------|------------|
|       |                                     | 31/03/2018 | 31/03/2017 |
| I     | a) Provisions for employee benefits | -          | -          |
|       | b) Others                           | -          | -          |
|       | <b>Total Short Term Provisions</b>  | <b>-</b>   | <b>-</b>   |

**Note No.20 : REVENUE FROM OPERATIONS**

| S. No | Particulars   | As on            | As on             |
|-------|---|------------------|-------------------|
|       |   | 31/03/2018       | 31/03/2017        |
| I     | Revenue from operations in respect of non-finance company |                  |                   |
|       | (a) Sale of Products                                      | 4,491,436        | 12,025,258        |
|       | <b>Total Revenue from Operations</b>                      | <b>4,491,436</b> | <b>12,025,258</b> |

**Note No.21 : OTHER INCOME**

Amount in Rs.

| S. No | Particulars   | As on          | As on          |
|-------|---|----------------|----------------|
|       |   | 31/03/2018     | 31/03/2017     |
| I     | (a)Interest income  | 200,717        | 100,571        |
|       | (b)Other non-operating income(net of expenses directly attributed to such income) | -              | 125            |
|       | <b>Total Other Income</b>   | <b>200,717</b> | <b>100,696</b> |

**Note No.22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE :**

| S. No | Particulars                                       | As on            | As on          |
|-------|---|------------------|----------------|
|       |   | 31/03/2018       | 31/03/2017     |
| I     | Finished Goods                                    |                  |                |
|       | Finished goods at the beginning of the year       | 2,178,825        | 2,384,319      |
|       | Less : Finished goods at the end of the year      | -                | 2,178,825      |
|       | Sub Total (A)                                     | 2,178,825        | 205,494        |
|       | Work-in-progress                                  |                  |                |
|       | Stock at the beginning of the year                | -                | 89,850         |
|       | Less : Stock at the end of the year               | -                | -              |
|       | Sub Total ( B)                                    | -                | 89,850         |
|       | <b>(Increase) / Decrease in Inventories (A+B)</b> | <b>2,178,825</b> | <b>295,344</b> |

**Note No.23 : EMPLOYEE BENEFIT EXPENSES**

| S. No | Particulars                                 | As on          | As on            |
|-------|---|----------------|------------------|
|       |   | 31/03/2018     | 31/03/2017       |
| I     | (a) Salaries & Wages                        | 582,442        | 1,598,766        |
|       | (b) Contribution to Provident & Other Funds | 27,652         | 54,699           |
|       | (c) Staff Welfare Expenses                  | 19,738         | 9,742            |
|       | <b>Total Employee Benefit Expenses</b>      | <b>629,832</b> | <b>1,663,207</b> |

**Note No.24 : FINANCE COST**

| S. No | Particulars  | As on         | As on          |
|-------|--|---------------|----------------|
|       |  | 31/03/2018    | 31/03/2017     |
|       | (a) Interest Expenses :  |               |                |
|       | - Interest on Term Loan  | -             | 385,372        |
|       | (b) Bank Charges   | 14,043        | 15,947         |
|       | (c) Applicable net gain/loss on foreign currency translations & transactions | -             | -              |
|       | <b>Total Finance Cost</b>  | <b>14,043</b> | <b>401,319</b> |



**Note No.25 : OTHER EXPENSES****Amount in Rs.**

| S. No | Particulars                         | As on            | As on            |
|-------|-------------------------------------|------------------|------------------|
|       |                                     | 31/03/2018       | 31/03/2017       |
| 1.    | Advertisement Expenses              | 83985            | 25497            |
|       | Annual listing fees                 | 300137           | 235656           |
|       | Audit Fees                          | 30000            | 31050            |
|       | Bad Debts                           | 0                | 3233672          |
|       | Business Promotion                  | 171455           | 945963           |
|       | Carriage expenses                   | 25774            | 319131           |
|       | Commission                          | 315452           | 2201             |
|       | Computer Maintenance / hire charges | 21829            | 20175            |
|       | Consumables                         | 57939            | 6989             |
|       | Conveyance                          | 71984            | 143495           |
|       | Directors remuneration              | 150000           | 137500           |
|       | Discount                            | 3494             | 28600            |
|       | Electricity Charges                 | 42914            | 111197           |
|       | Factory Maintenance                 | 0                | 196130           |
|       | General Expenses                    | 336899           | 133333           |
|       | Marketing Expenses                  | 0                | 71960            |
|       | Postage & Telegram                  | 26064            | 58181            |
|       | Printing & stationery               | 48888            | 45461            |
|       | Product development                 | 0                | 117717           |
|       | Professional Charges                | 169202           | 156150           |
|       | Professional tax                    | 5000             | 7500             |
|       | Rates and Taxes                     | 19969            | 66413            |
|       | Rent                                | 305320           | 234694           |
|       | Repairs & Maintenance - Vehicle     | 0                | 31182            |
|       | Repairs & Maintenance -others       | 5131             | 40518            |
|       | Sales Tax Arrears                   | 0                | 7544             |
|       | Secretarial Expenses                | 81447            | 209604           |
|       | Telephone Charges                   | 31345            | 60245            |
|       | Travelling Expenses                 | 460083           | 316220           |
|       | Swach Bharat Cess                   | 0                | 1171             |
|       | Insurance Exp                       | 0                | 18000            |
|       | Interest on TDS                     | 0                | 75               |
|       | Packing Material                    | 14629            | 39381            |
|       | <b>Total Other Expenses</b>         | <b>2,778,939</b> | <b>7,052,605</b> |

**Note No.26 : TAX EXPENSES**

| S. No | Particulars                             | As on          | As on            |
|-------|---|----------------|------------------|
|       |   | 31/03/2018     | 31/03/2017       |
| I     | <b>Current tax</b>                      |                |                  |
|       | <b>Deferred tax</b>                     | -1816          | -272161          |
|       | <b>Adjustment for previous year tax</b> |                |                  |
|       | - Income Tax paid for earlier year      | 173,461        | -                |
|       | <b>Total Other Income</b>               | <b>171,645</b> | <b>(272,161)</b> |

**Note-27 Notes Forming Part of Accounts****27.1 Details of Managerial Remuneration:**

|        | Managing Director |          | Executive Director |         |
|--------|-------------------|----------|--------------------|---------|
|        | 2017-18           | 2016-17  | 2017-18            | 2016-17 |
| Salary | 150000            | 1,50,000 | -                  | -       |
| Total  | 150000            | 1,50,000 | -                  | -       |

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

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

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

Name of the parties

Ø Dr. Ghisulal Jain

Ø Abhishek jain

| NAME OF THE TRANSACTIONS RELATED TO THE PARTY | TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES |         |
|---|--|---------|
|   | 2017-18  | 2016-17 |
| Managerial Remuneration                       | 150,000  | 137,500 |
| Reimbursement of Expenses,etc                 | 45,690   | -       |

**27.5 EARNING PER SHARE (EPS)**

|   | 2017-18       | 2016-17     |
|---|---------------|-------------|
| The computation of EPS is set out below:                                |               |             |
| <b>Earning</b>  |               |             |
| Net Profit/Loss for the period  | (3,857,390)   | 1,096,893   |
| <b>Shares</b>   |               |             |
| Number of Shares at the Beginning of the period                         | 3,405,500     | 3,405,500   |
| Add: Shares issued during the period                                    | -             | -           |
| Total number of equity shares outstanding at the end of the period      | 3,405,500     | 3,405,500   |
| Weighted average number of equity shares outstanding during the period  | 3,405,500     | 3,405,500   |
| <b>Earning per share of par value Rs. 10/- Basic &amp; Diluted (Rs)</b> | <b>(1.13)</b> | <b>0.32</b> |

**27.6** 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.

**27.7 Contingent Liability - NIL**

**27.8 Foreign Currency Earnings/Outgoing - NIL**

**For Rakesh S Jain & Associates**

**For and on behalf of the Board**

Chartered Accountants

Firm Registration Number: 010129S

Sd/- B.Ramesh Kumar

Partner

Membership Number: 200304

Sd/- Dr. Ghisulal Jain [DIN No.00404983]

Chairman & Managing Director

Place: Hyderabad

Date: 5-5-2018

Sd/- Seema Jain

Director & CEO [DIN No.07183851]

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 share holders 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 1<sup>st</sup> Registered Holder .....  
Name of joint Holder(s) .....  
Registered Address .....  
E-mail ID(to be registered) .....

I/we shareholders) of Pharmmaids 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.

**PROXY FORM**

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

**Pharmaids 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](http://www.pharmaids.com)

|  |  |               |
|--|--|---------------|
| Name of the Member(s)  |  |               |
| Registered address   |  |               |
| Email Id   |  |               |
| Folio No. / Client ID  |  |               |
| DP ID  |  | No. of Shares |
| I / We, being a member/members of above named Company, hereby appoint: |  |               |
| 1. Name  |  |               |
| Address  |  | Signature     |
| Email ID   |  |               |
| or failing him/her   |  |               |
| 2.Name   |  |               |
| Address  |  | Signature     |
| Email ID   |  |               |
| or failing him/her   |  |               |
| 3.Name   |  |               |
| Address  |  | Signature     |
| Email ID   |  |               |

as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 29<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 28<sup>th</sup> September 2018 at 11.00 a.m. at Andhra Pradesh Druggists & Chemists Association, 5-9-262/1, King Koti, Hyderabad – 500 001 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 31 <sup>st</sup> March 2018 Report of the Board of Directors and Auditors thereon |      |          |
| 2.             | Re-appointment of Seema Jain who retires by rotation and being eligible, offers herself for re-appointment.                                    |      |          |
| 3.             | Ratification of appointment of M/s. PPKF & Company, Chartered Accountants as Auditors and fixing their remuneration                            |      |          |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018 Signature of Member \_\_\_\_\_ Signature of Proxy \_\_\_\_\_

**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.

|   |
|---|
| Affix a 15<br>paise<br>Revenue<br>Stamp |
|---|

# Back to Nature



Note: As per SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 Dated. April,20,2018, We hereby attached KYC form. Please send the duly filled via with self address envelop enclosed.



If undelivered please return to :

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**Pharmaid's  
Pharmaceuticals limited**

Regd. Off.: 4-4-211/212/3,  
1st Floor, Inderbagh, Sultan Bazar,  
Hyderabad - 500095 Telangana

E-mail : mailpharmaids@yahoo.co.in  
www.pharmaids.com



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