



Pharmaids Pharmaceuticals Limited

33rd Annual Report

2021-22

**BOARD OF DIRECTORS**

Mr. Mopperthy Sudheer	Independent Director
Mr. Veerareddy Vallapureddy	Independent Director
Dr. Vyasmurti Madhavrao Shingatgeri	Independent Director
Mr. Sadhanala Venkata Rao	Non - Executive and Non - Independent Director
Mrs. Sadhanala Padmaja Kalyani	Whole Time Director (Till 21.05.2022)
Mr. Sadhanala Vishwa Prasad	Whole Time Director (Till 09.07.2022)
Mr. Venu Madhava Kaparthy	Additional Director (From 21.05.2022)
Ms. Mini Manikantan	Additional Director (From 09.07.2022)

KEY MANAGERIAL PERSONNEL

Mr. Chilam Srikanth	Chief Financial Officer
Ms. Annie Jodhani	Company Secretary and Compliance Officer

REGISTERED OFFICE

4-4-211/212/3, 1ST Floor
 Inderbagh, Sultan Bazaar
 Hyderabad - 500095
 Telangana, India
 E-mail: pharmaids125@gmail.com
 Website: www.pharmaids.com
 Tel No. 040 - 40122151

CORPORATE OFFICE

Flat No. 503, Amrutha Estates,
 Himayat Nagar, Hyderabad - 500029
 Telangana, India

STATUTORY AUDITORS

M/s PPKG & Co (FRN: 009655S)
 Chartered Accountants

LISTING

BSE Limited

REGISTRAR & SHARE TRANSFER AGENTS

M/s Venture Capital and Corporate
 Investments Pvt Ltd
 12-10-167, Bharat Nagar
 Hyderabad - 500018
 E-mail: investor.relations@vccipl.com
 Website: <https://www.vccipl.com/index.html>

BANKERS

ICICI Bank
 HDFC Bank
 State Bank of India

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NOTICE

33rd ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the Members of M/s Pharmaids Pharmaceuticals Limited ("the Company") will be held on Saturday, 20th August' 2022 at 12:00 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact following business mentioned below:

Ordinary Business:

1. To consider and adopt the Audited Financial Statements for the Financial Year ended 31st March' 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sadhanala Venkata Rao (DIN: 02906370), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. Appointment of Mr. Venu Madhava Kaparthy (DIN: 00021699) as Director

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Venu Madhava Kaparthy (DIN: 00021699), Additional Director of the Company be and is hereby appointed as Director of the Company."

4. Appointment of Mr. Venu Madhava Kaparthy (DIN: 00021699) as Whole Time Director

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V of the Companies Act, 2013, pursuant to the recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to appoint Mr. Venu Madhava Kaparthy (DIN 00021699), as the Whole Time Director of the Company for a term of 3 years with effect from 21.05.2022 at a remuneration detailed below:

- a) Overall remuneration: Mr. Venu Madhava Kaparthy (DIN 00021699) shall be paid a remuneration (i.e. salary, perquisites and commission) upto Rs. 3,00,000/- (Rupees Three Lakhs Only) per month.
- b) Minimum remuneration: In the event of inadequacy or absence of profits in any financial year, during the tenure of his office, he shall be paid the above remuneration, as minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act and in accordance with the provisions of the Companies Act.
- c) The composition of the remuneration payable to Mr. Venu Madhava Kaparthy (DIN 00021699) may be varied as desired by him and accepted by the Board.
- d) He shall not be liable to retire by rotation.

RESOLVED LASTLY THAT the Directors of the Company be and are hereby severally authorised to do all such acts, things and deeds including but not limited to filing of requisite forms/ returns with the office of the Registrar of Companies so as to bring this resolution into force."



5. **Appointment of Ms. Mini Manikantan (DIN: 09663184) as Director**

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Mini Manikantan (DIN: 09663184) as Additional Director of the Company be and is hereby appointed as Director of the Company."

6. **Appointment of Ms. Mini Manikantan (DIN: 09663184) as Whole Time Director**

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V of the Companies Act, 2013, pursuant to the recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to appoint Ms. Mini Manikantan (DIN: 09663184) as the Whole Time Director of the Company for a term of 3 years with effect from 09.07.2022 at a remuneration detailed below:

- a) Overall remuneration: Ms. Mini Manikantan (DIN: 09663184), shall be paid a remuneration (i.e. salary, perquisites and commission) upto Rs. 2,00,000/- (Rupees Two Lakhs Only) per month.
- b) Minimum remuneration: In the event of inadequacy or absence of profits in any financial year, during the tenure of her office, she shall be paid the above remuneration, as minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act and in accordance with the provisions of the Companies Act.
- c) The composition of the remuneration payable to Ms. Mini Manikantan (DIN: 09663184) may be varied as desired by her and accepted by the Board.
- d) She shall be liable to retire by rotation.

RESOLVED LASTLY THAT the Directors of the Company be and are hereby severally authorised to do all such acts, things and deeds including but not limited to filing of requisite forms/ returns with the office of the Registrar of Companies so as to bring this resolution into force."

7. **Alteration to Memorandum to bring in line with Companies Act, 2013 and other changes**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, the approval of the members be and is hereby accorded to alter the Memorandum of Association by substituting the word "Andhra Pradesh" with the word "Telangana" in the existing Clause II of the Memorandum of Association.

RESOLVED FURTHER THAT the existing Clause III (B) of the Memorandum of Association of the Company be substituted with the revised Clause III(B) and that the existing Clause III(C) of the Memorandum of Association of the Company be deleted.

RESOLVED LASTLY THAT necessary amendments be made to the existing Memorandum of Association of the Company to bring it in line with the provisions of the Companies Act, 2013 and to incorporate such other modifications as proposed by the Board of Directors and that the Directors be and are hereby severally authorised to take such actions and steps as may be necessary and generally



to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

8. **Adoption of new set of Articles of Association to bring it in line with Companies Act, 2013**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, the draft regulations contained in the Articles of Association be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Directors be and are hereby severally authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

9. **Change in Registered Office of the Company**

To consider and if thought fit, to pass the following Resolution, with or without modification, as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 12, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder ("Rules"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government (Powers delegated to Regional Director), and such other approvals, permissions and sanctions as may be required under the provisions of the Act or under any other law for the time being in force, the consent of the Members of the Company be and is hereby accorded for shifting the Registered Office of the Company from the "State of Telangana" to the "State of Karnataka" at Bengaluru.

RESOLVED FURTHER THAT upon shifting of the Registered Office becoming effective, the existing Clause-II of the Memorandum of Association of the Company be substituted with the following New Clause."

II. **The Registered Office of the Company will be situated in the "State of Karnataka"**

"RESOLVED FURTHER THAT the Directors and the KMPs of the Company be and are hereby severally authorised to make necessary application to the Central Government, Regional Director, Registrar of Companies and other Regulatory Authorities in this matter, to appear before them, to make any modifications, changes, variations, alterations or revisions stipulated by the concerned authorities while according approval or consent, and to do all such acts, deeds, matters and things as may be necessary / incidental / ancillary to give effect to this resolution including Execution / Signing / Filing of necessary forms / Documents / Affidavits / Indemnity / Undertakings / Declarations as may be required, from time to time

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to engage Counsels / Consultants / Executives / Advisors to represent the Company and appear on its behalf before the Central Government, Regional Director, Registrar of Companies, and other Regulatory Authorities in this matter and obtain the necessary directions and/or Order(s) upon confirmation by the concerned Regulatory Authority and do all such acts, deeds, matters and things as may be necessary to give effect to the above Resolution including but not limited to signing, certification and filing of the E-forms with the Registrar of Companies."



10. Increase of Authorised Share Capital of the Company

To consider and if thought fit, to pass the following Resolution, with or without Modification, as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 13, 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the Rules framed thereunder, the Consent of the Members be and is hereby accorded to increase the Authorised Share Capital of the Company from present Rs.11,00,00,000/- (Rupees Eleven Crores Only) consisting of 1,10,00,000 (One Crore Ten Lakhs Only) Equity Shares of Rs.10/- each to Rs.16,50,00,000/- (Rupees Sixteen Crores Fifty Lakhs Only) consisting of 1,65,00,000 (One Crore Sixty Five Lakhs Only) Equity Shares of Rs.10/- each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company, be and is hereby altered by substituting the existing Clause - V thereof by the following new Clause - V, as under:

V The Authorised Share Capital of the Company is Rs.16,50,00,000/- (Rupees Sixteen Crore Fifty Lakhs Only) consisting of 1,65,00,000 (One Crore Sixty Five Lakhs Only) Equity Shares of Rs.10/- each.

RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds and things as may be required for filing of the above Resolution with the Registrar of Companies, as may be necessary and incidental to give effect to the Resolution."

11. Issue of Share Warrants on Preferential Basis

To consider and if thought fit, to pass the following Resolution, with or without Modification, as **Special Resolution**:

"RESOLVED THAT Pursuant to Section 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and such others Rules and Regulations made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the "Act"), the Memorandum and Articles of Association of the Company and any other Rules, Regulations, Guidelines, Notifications, Circulars and clarifications issued by the Government of India, the Securities and Exchange Board of India ("SEBI"), including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"), the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the "SEBI (ICDR) Regulations"), the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ("SEBI Takeover Regulations"), to the extent applicable and approvals including from the BSE Limited ("Stock Exchange") and all other Statutes, Rules, Regulations, Guidelines, Notifications, Circulars and clarifications as may be applicable and subject to such Approvals, Permissions, Sanctions and Consents as may be necessary and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such Approvals, Permissions, Sanctions and Consents as the case maybe) by any other Regulatory Authorities and which may be accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this Resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the Consent of the Members of the Company be and is hereby accorded to the Board to Create, Offer, Issue and Allot at an appropriate time, in one or more tranches, up to 59,00,000 (Fifty Nine Lakhs Only) Convertible Warrants ("Warrants") at a Price of Rs.15.00/- (Rupees Fifteen Only) Per Warrant or such recomputed price in accordance with SEBI (ICDR) Regulations with a right to the Warrant holders to apply for and be allotted 1 (One) Equity



Share of the Face Value of Rs.10/- each of the Company ("Equity Shares") at a Premium of Rs.5 /- (Rupees Five only) Per Share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, aggregating to Rs.8,85,00,000/- (Rupees Eight Crore Eighty Five Lakhs only) to the persons mentioned in the Explanatory Statement ("Proposed Allottees") of the Company for cash and in accordance with the provisions of SEBI ICDR Regulations and SEBI Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the Members.

FURTHER RESOLVED THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to the following terms and conditions:

- a. The Warrant holders shall, subject to the SEBI (ICDR) Regulations and other applicable rules, regulations and laws, be entitled to exercise the Warrants in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be exercised. The Company shall accordingly issue and allot the corresponding number of Equity Shares of face value of Rs. 10/- (Rupees Ten only) each to the Warrant holders;
- b. An amount equivalent to 25% of the Warrant Issue Price shall be payable at the time of subscription and allotment of each Warrant and the balance 75% shall be payable by the Warrant holder(s) on the exercise of the Warrant(s);
- c. In the event that, a Warrant holder does not exercise the Warrants within a period of 18 (Eighteen) months from the date of allotment of such Warrants, the unexercised Warrants shall lapse and the amount paid by the Warrant holders on such Warrants shall stand forfeited by the Company;
- d. The Warrants and Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under the SEBI (ICDR) Regulations from time to time;

RESOLVED FURTHER THAT in accordance with the provision of Chapter V of the SEBI (ICDR) Regulations the "Relevant Date" for the purpose of calculating the Floor Price for the Issue of Equity Shares be and is hereby fixed as July 21, 2022 being the weekday 30 days prior to the date of Annual General Meeting i.e., August 20, 2022.

RESOLVED FURTHER THAT all such equity shares to be issued and allotted by the Board shall be in demat form and shall be subject to provisions of Memorandum of Association and Article of Association of the Company and shall rank pari-passu in all respect including dividend with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, desirable and expedient for such purpose, including without limitation, issuing clarification on the offer, issue and allotment of the equity shares and listing of equity shares at the Stock Exchanges as per the terms and conditions of SEBI (LODR) Regulations and other applicable Guidelines, Rules and Regulations, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries and advisor for the Preferential Issue), resolving all questions and doubt that may arise with respect to the offer, issued and allotment of equity shares, and to authorize all such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Shareholders of the Company and that the decision of the Board shall be final and conclusive;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein conferred, to any committee or to one or more Directors or executive of the Company including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution



of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid Resolution;

RESOLVED LASTLY THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing Resolution be and are hereby approved, ratified and confirmed in all respects."

Date: 22nd July' 2022

Place: Hyderabad

CIN: L52520TG1989TLC009679

Regd. Office: # 4-4-211/212/3, 1ST Floor, Inderbagh

Sultan Bazaar, Hyderabad - 500095

By Order of the Board of Directors

Sd/-

Annie Jodhani

Company Secretary



NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') entered with the Stock Exchanges and Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment / re-appointment at this Annual General Meeting is annexed hereto.
2. In terms of Section 152 of the Companies Act, 2013, Mr. Sadhanala Venkata Rao (DIN: 02906370) retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company re-commends his re-appointment.
3. The Ministry of Corporate Affairs ("MCA") has vide its Circular dated 13th January' 2020 read with the Circulars dated 8th April' 2020, 13th April' 2020 and 5th May' 2020 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January' 2021 (collectively referred to as "SEBI Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC, without the physical presence of the Members at a common venue. Hence, in compliance with the MCA Circulars and SEBI Circulars, the 33rd AGM of the Company is being held through VC / OAVM on Saturday, 20th August ' 2022 at 12:00 P.M. (IST).

In compliance of Section 20 of the Companies Act, 2013 and further to the aforesaid MCA Circulars and SEBI Circulars, Notice of the 33rd AGM along with the Annual Report 2021-22 is being sent only through electronic mode to the Members whose e-mail addresses are registered with the Company / Depositories. Members may note that the Notice and the Annual Report 2021-22 will also be available on the Company's Website: <https://www.pharmaids.com> Website of the Stock Exchange i.e., BSE Limited: <https://www.bseindia.com>, and on the Website of CDSL: <https://www.evotingindia.com>

4. Green Initiative: To support the Green Initiative, Members who have not registered their e-mail address are requested to register their e-mail address for receiving all the communications including Annual Report, Notices, Circulars etc. from the Company electronically.
5. A Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his / her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to authorise their Representatives to participate and vote at the AGM are requested to upload a copy of the Board Resolution / Authorisation Letter on the E-Voting Portal or send to the Company at pharmaids125@gmail.com with a copy marked to anniejodhani@gmail.com
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the Quorum under Section 103 of the Act. As per Regulation 40 of the SEBI Listing Regulations, as amended, Securities of Listed Entities can be transferred only in Dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of Securities. In view of this, Members holding Shares in Physical Form are requested to consider converting their holdings to Dematerialised form. Members can contact M/s Venture Capital and Corporate Investments Private Limited, Registrar and Share Transfer Agents of the Company, ("RTA" or "Registrar") situated at #12-10-167, Bharat Nagar, Hyderabad - 500018, E-mail: investor.relations@vccipl.com website of the Registrar: <https://www.vccipl.com/index.html> for assistance in this regard.



8. Members are requested to intimate changes, if any, pertaining to their Name, Postal Address, E-mail Address, Telephone / Mobile Numbers, Permanent Account Number, Mandates, Nominations, Power of Attorney, Bank Details viz., Name of the Bank, Branch Details, Bank Account Number, MICR Code, IFSC Code etc., to their Depository Participants ("DPs") in case the Shares are held in Electronic Form and Registrar / RTA in case the Shares are held in Physical Form.
 - a. Registration of E-mail for Shareholders holding Physical Shares: Members holding Shares in Physical Form and who have not registered their E-mail addresses may get their E-mail addresses registered with the Registrar, by referring to their website: <https://www.vccipl.com/index.html> and follow the Registration Process as guided therein. Members are requested to provide details such as Name, Folio Number, Certificate Number, PAN, Mobile Number and E-mail and also upload the image of Share Certificate in PDF or JPEG format. On submission of the details, an OTP will be received by the Member which needs to be entered in the link for verification. For Permanent Registration for Demat Shareholders: It is clarified that for permanent registration of E-mail address, Members are requested to register their E-mail address, in respect of Demat holdings with the respective Depository Participant (DP) by follow the procedure as prescribed by the Depository Participant.
 - b. For Temporary Registration for Demat Shareholders: Members holding Shares in Physical Form and who have not registered their E-mail addresses may get their E-mail addresses registered with the Registrar, by referring to their website: <https://www.vccipl.com/index.html> and follow the Registration Process as guided therein. Members are requested to provide details such as Name, Folio Number, Certificate Number, PAN, Mobile Number and E-mail.
 - c. Registration of Bank Details for Physical Shareholders: Members holding Shares in Physical Form and who have not registered their Bank details can get the same registered with the Registrar, by clicking the <https://www.vccipl.com/index.html> and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio Number, Share Certificate Number, PAN, E-mail, along with the copy of the Cheque Leaf with the First named Member as mentioned on the Cheque Leaf containing Bank Name and Branch, Type of Account, Bank Account Number, MICR Details and IFSC code in PDF or JPEG format. It is very important that the Member should submit the request letter duly signed. The Registrar will verify the documents upload and will only take on records for all valid cases. On submission of the details, an OTP will be received by the Member which needs to be entered in the link for verification.
9. Nomination: Pursuant to Section 72 of the Companies Act, 2013, Members holding Shares in Physical Form are advised to file Nomination in the prescribed Form SH-13 with the Company's Share Transfer Agent. In respect of the Shares held in Dematerialised form, Members may please contact their respective Depository Participant.
10. Consolidation of Physical Share Certificates: Members holding Shares in Physical Form, in identical order of Names, in more than One Folio are requested to send to the Company or Registrar, the details of such Folios together with the Share Certificates for consolidating their holdings in One Folio. A Consolidated Share Certificate will be issued to such Members after making requisite changes.
11. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company has provided a facility to its Members to cast their vote electronically, through the E-Voting services provided by Central Depository Services (India) Limited ("CDSL") on all the Resolutions set forth in this Notice. Members who have cast their Votes by remote E-Voting prior to the AGM may also participate in the AGM through VC but shall not be entitled to cast their Vote on such Resolutions again. The manner and process of E-Voting remotely by Members is provided in the instructions for E-Voting which forms part of this Notice.



12. A Person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date for dispatch of Notice and Annual Report i.e. 23rd July' 2022 will only be entitled for receipt of Annual Report.
13. The Voting Rights of the Shareholders for voting through remote E-Voting at the AGM shall be in proportion to their share of the Paid-up Equity Share Capital of the Company as on Saturday, 13th August 2022 ('Cut-Off Date'). A Person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date, only shall be entitled to avail the facility of remote E-Voting or of voting at the AGM and who is not a Member as on the Cut-off Date shall treat this Notice for information purposes only.
14. The Remote E-Voting Period will commence on Wednesday, 17.08.2022 (IST 09:00 A.M.) and will end on Friday, 19.08.2022 (IST 05:00 P.M.). During this period, Members of the Company, holding Shares either in Physical Form or in Dematerialised form, as on the Cut-off Date i.e., on Saturday, 13th August 2022 ('Cut-Off Date') shall be entitled to cast their vote by remote E-Voting. Once the Vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
15. The facility for Voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their Vote on the Resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to Vote through E-Voting system during the AGM.
16. Any person who becomes a Member of the Company after sending the Notice and holding Shares as on the Cut-off date (13th August 2022) may obtain the Login-id and Password by sending a request at helpdesk.evoting@cdslindia.com. However, if a Member is already registered with CDSL for remote E- Voting then he / she can use his / her existing User-id and Password for casting the Vote.
17. In case of Joint holders, the Joint holder who is higher in the order of Names, will be entitled to vote at the Meeting, if not already voted through remote E-Voting.
18. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company mentioning their Name, Demat Account Number / Folio Number, E- mail, Mobile Number at pharmaids125@gmail.com or anniejodhani@gmail.com on or before Friday, 13th August 2022. The same will be replied by the Company suitably.
19. The Board of Directors has appointed Mr. Kashinath Sahu, Practicing Company Secretary (Membership No. FCS 4790, COP No. 4807), Hyderabad as the Scrutinizer to scrutinize the remote E-Voting Process and voting during the AGM, in a fair and transparent manner.
20. The Scrutinizer shall immediately, after the conclusion of E-Voting at the AGM, first count the Votes Cast during the AGM, thereafter, unblock the Votes Cast through remote E-Voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the Total Votes Cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The Results declared along with the Scrutinizer's Report shall be placed on the Website of the Company and on the Website of CDSL immediately. The results will also be communicated to BSE Limited, where the Shares of the Company are listed.
21. To prevent fraudulent transactions, Members are advised to exercise Due Diligence and notify the Company of any change in address or Demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic Statement of Holdings should be obtained from the concerned DPs and Holdings should be verified from time to time.
22. Instructions for attending the AGM through VC / OAVM:
 - i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL E-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under



Shareholders / Members login by using the remote E-Voting credentials. The link for VC/OAVM will be available in Shareholder / Members login where the EVSN of the Company is displayed.

- ii. Members may join the Meeting through Laptops, Smartphones, Tablets and I-Pads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
 - iii. Shareholders who would like to express their views / ask questions during the Meeting may register themselves as a speaker by sending their request in advance prior to the Meeting Date latest by 13th August 2022) from their registered E-mail address mentioning their names, DP-ID and Client-ID / Folio Number, PAN and Mobile Number at pharmaids125@gmail.com Only those Members who have pre-registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
 - iv. Members are encouraged to submit their questions in advance with regard to the Financial Statements or any other matter to be placed at the 33rd AGM, from their registered E-mail address, mentioning their Name, DP-ID and Client-ID Number / Folio Number and Mobile Number, to reach the Company's E-mail address at pharmaids125@gmail.com before 5:00 P.M. (IST) on Saturday, 13th August 2022) . Such questions by the Members shall be suitably replied by the Company.
 - v. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
 - vi. If any votes are cast by the Shareholders through the E-Voting available during the AGM and if the same Shareholders have not participated in the Meeting through VC / OAVM facility, then the votes cast by such Shareholders shall be considered as invalid, as the facility of E-Voting during the Meeting is available only to the Shareholders attending the Meeting.
23. Subject to the receipt of Requisite number of Votes, the Resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM. Voting through Electronic Means:
- Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 read with the Companies (Management and Administration) Rules, 2014 read with amendments or re-enactments made thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide the facility to exercise Members' Right to Vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- The Members attending the Meeting, who have not already cast their vote through Remote E-Voting shall be able to exercise their Voting Rights at the Meeting. The Members who have already cast their vote through Remote E-Voting may attend the Meeting but shall not be entitled to cast their vote again at the AGM.
24. The instructions for Shareholders for Voting Electronically are as under:
- (i) The Voting Period commences on Wednesday, 17.08.2022 (09:00 A.M.) and closes on Friday, 19.08.2022 (05:00 P.M.) During this period, the Shareholders of the Company, holding Shares either in Physical Form or in Dematerialized Form, as on the Cut-off Date (Record Date), Saturday, 13th August 2022 may cast their vote electronically. The E-Voting Module shall be disabled by CDSL for Voting thereafter.
 - (ii) Shareholders who have already voted prior to the Meeting Date would not be entitled to vote at the Meeting.

**Login method for E-Voting and Joining Virtual Meetings for Individual Shareholders holding Securities in Demat Mode:**

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December' 2020 on "E-Voting Facility provided by Listed Companies", Individual Shareholders holding Securities in Demat mode are allowed to cast their vote through their Demat Account maintained with the Depositories and Depository Participants. Shareholders are advised to update their Mobile Number and E-mail in their Demat Accounts in order to access the E-Voting Facility. Pursuant to the above said SEBI Circular, Login method for E-Voting and joining Virtual Meetings for Individual Shareholders holding Securities in Demat mode CDSL / NSDL is given below:

Type of Shareholders	Login Method
Individual Shareholders Holding Securities in Demat Mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL EASI / EASIEST facility, can login through their existing User-id and Password. Option will be made available to reach E-Voting page without any further authentication. The URL for Users to login to EASI / EASIEST are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System MYEASI. 2. After successful login to the EASI / EASIEST User will be able to see the E-Voting option for eligible Companies where the E-Voting is in progress as per the information provided by Company. On clicking the E-Voting option, the User will be able to see E-Voting page of the E-Voting Service Provider for casting your Vote during the remote E-Voting period or joining Virtual Meeting and Voting during the Meeting. Additionally, there are also links provided to access the system of all E-Voting Service Providers i.e. CDSL / NSDL / KARVY / LINKINTIME, so that the User can visit the E-Voting Service Providers website directly. 3. If the User is not registered for EASI / EASIEST, option to register is available at the following link: web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the User can directly access E-Voting Page by providing Demat Account Number and PAN on E-Voting link available on www.cdslindia.com home page. The system will authenticate the User by sending OTP on the Registered Mobile and E-mail as recorded in the Demat Account. After successful authentication, the User will be able to see the E-Voting option where the E-Voting is in progress and also able to directly access the system of all the E-Voting Service Providers.
Individual Shareholders Holding Securities in Demat Mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the E-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a Mobile. Once the Homepage of E-services is launched,



	<p>click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ Section. A new screen will open. You will have to enter your User-id and Password. After successful authentication, you will be able to see E-Voting Services. Click on “Access to E-Voting” under E-Voting Services and you will be able to see E-Voting page. Click on Company name or E- Voting Service Provider name and you will be re-directed to E-Voting Service Provider website for casting your vote during the remote E-Voting period or joining Virtual Meeting and Voting during the Meeting.</p> <p>2. If the User is not registered for IDeAS E-services, option to register is available at https://eservices.nsdl.com/ Select “Register Online for IDeAS” Portal or Click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the E-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the homepage of E-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User-id (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository Site wherein you can see E-Voting page. Click on Company name or E-Voting Service Provider name and you will be redirected to E-Voting Service Provider Website for casting your Vote during the remote E-Voting period or joining Virtual Meeting and Voting during the Meeting.</p>
Individual Shareholders Holding Securities in Demat Mode Login through their Depository Participants	<p>4. You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for E-Voting facility. After Successful login, you will be able to see E-Voting option. Once you click on E-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see E-Voting feature. Click on Company Name or E-Voting Service Provider name and you will be redirected to E-Voting Service Provider Website for casting your vote during the remote E-Voting period or joining Virtual Meeting and voting during the Meeting</p>

Important note: Members who are unable to retrieve User-id/ Password are advised to use Forgot User-id and Forgot Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding Securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL



Login type	Helpdesk details
Individual Shareholders Holding Securities in Demat Mode with CDSL	Members facing any technical issue in login can contact CDSL Helpdesk by sending a request at the following e-mail: helpdesk.evoting@cdslindia.com or Contact at toll free no. 1800 22 55 33
Individual Shareholders Holding Securities in Demat Mode with NSDL	Members facing any technical issue in login can contact NSDL Helpdesk by sending a request at evoting@nsdl.co.in or Call at Toll Free No. 1800 1020 990 and 1800 22 44 30

Login method for E-Voting for Physical Shareholders and Shareholders other than Individuals holding in the Demat Form

- The Shareholders should log on to the E-Voting Website: www.evotingindia.com
- Click on “SHAREHOLDERS” Module.
- Now enter your User-id
 - For CDSL: 16 Digits Beneficiary ID
 - For NSDL: 8 Character DP-ID followed by 8 Digits Client-ID
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the ‘Image Verification’ as displayed and Click on Login.
- If you are holding Shares in Demat form and had logged on to www.evotingindia.com and had voted on an earlier E-Voting of any Company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

For Physical Shareholders and other than Individual Shareholders holding Shares in Demat Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders) Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA
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.

- After entering these details appropriately, click on ‘SUBMIT’ tab.
- Shareholders holding Shares in Physical Form will then directly reach the Company selection screen. However, Shareholders holding Shares in Demat form will now 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 the 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.



- i. For Shareholders holding shares in Physical Form, the details can be used only for E-Voting on the Resolutions contained in this Notice.
- j. Click on the EVSN of the relevant Company ('Pharmalids Pharmaceuticals Limited') on which you choose to vote.
- k. 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.
- l. Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- m. 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.
- n. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your Vote.
- o. You can also take a print of the votes cast by clicking on 'Click here to Print' option on the Voting Page.
- p. If a Demat Account Holder has forgotten the login password then enter the User-id and the 'Image Verification Code' and click on Forgot Password and enter the details as prompted by the system.

Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting:

- Non – Individual Shareholders (i.e. Other than Individuals, HUF, NRI etc.) and Custodians are required to log on to the website: www.evotingindia.com and register themselves in the 'CORPORATES' Module.
- A Scanned copy of the Registration Form bearing the Stamp and Sign of the Entity should be mailed to helpdesk.evoting@cdslindia.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 they wish to vote on.
- The List of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.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.
- Alternatively Non – Individual Shareholders are required to send the relevant Board Resolution / Authority Letter etc. together with the Attested Specimen Signature of the Duly Authorized Signatory who are authorized to vote, to the Scrutinizer and to the Company at the E-mail address: pharmalids125@gmail.com if they have voted from individual tab and not uploaded same in the CDSL E-Voting System for the Scrutinizer to verify the same.

If you have any queries or issues regarding E-Voting from the CDSL E-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022 – 23058738 and 022 – 23058542 / 43

All grievances connected with the facility for Voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr Manager, Central Depository Services (India) Limited (CDSL), Wing – A, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, NM Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an E-mail to helpdesk.evoting@cdslindia.com or call on 022 – 23058542 / 43

Date: 22nd July' 2022
Place: Hyderabad

By Order of the Board of
Directors

CIN: L52520TG1989TLC009679

Regd. Office: # 4-4-211/212/3, 1ST Floor, Inderbagh
Sultan Bazaar, Hyderabad – 500095

Sd/-
Annie Jodhani
Company Secretary



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

Item No. 3 and 4

In accordance with the Provisions of Section 152, 160 read with Schedule – IV to the Companies Act, 2013, appointment of a Director requires approval of the Members in the General Meeting. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Venu Madhava Kaparthy (DIN: 00021699) be appointed as an Additional Executive Director on the Board, in terms of Section 152 of the Companies Act, 2013, whose office is not liable to retire by rotation.

The Company has received individual Declarations from Mr. Venu Madhava Kaparthy stating that he is not disqualified from being appointed as a Director in terms of Section 152 of the Act and has given his individual consent to act as Director.

The Board hereby recommends the appointment of Mr. Venu Madhava Kaparthy (DIN 00021699) as the Whole Time Director of the Company for a period of 3 years w.e.f 21.05.2022 subject to approval of the shareholders

The following is a brief profile of Mr. Venu Madhava Kaparthy (DIN 00021699)

Mr. Venu Madhava Kaparthy, is a Qualified Chartered Accountant and Cost Accountant, having experience with more than 2 decades in the Banking and Finance Industry. He has vast experience in the field of Audit, Assurance, Tax, ERP, Corporate Treasury, Investment Banking. He has held senior positions in large organisations like ITC Limited, Britannia Industries Limited, Praxair India Private Limited, Makven Capital Private Limited, Bioneds India Private Limited.

In his immediate past role as CFO of Bioneds India Pvt. Ltd., he was instrumental in working closely with the Board and enhancing the overall business and Shareholder value significantly

Taking into consideration his rich profile and in view of the increasing responsibility, the Board, pursuant to the recommendation of Nomination and Remuneration, approved the appointment of Mr. Venu Madhava Kaparthy (DIN 00021699) as Whole Time Director of the Company subject to requisite approvals.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the terms of appointment and remuneration as set out in Item No. 3 and 4 are now being placed before the members for their approval by way of Ordinary Resolution.

Pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year during the tenure of the Managing Director or Whole Time Director, the Company has Nil Profits or the Profits are inadequate, the following additional information is required to be submitted to the shareholders

Information required under Section II, Part II of Schedule V of the Companies Act, 2013:

<i>I. General Information</i>		
1	Nature of Industry	The Company is a pharmaceutical company in the business of trading and manufacturing of Generics, Bulk Drugs and Intermediaries, etc.
2	Date of expected date of commencement of commercial production	The Company has already commenced its commercial operations
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable



I. General Information		
4	Financial performance based on given indicators	<p>The following are the financial parameters of the Company as on March 31, 2022</p> <p>Turnover Rs. 393.93 Lakh</p> <p>Total Expense Rs. 381.41 Lakh</p> <p>Profit before Tax Rs. 14.03 Lakh</p> <p>Profit after Tax Rs. 14.51 Lakh</p> <p>as on March 31, 2021</p> <p>Turnover Rs. 855.10 Lakh</p> <p>Total Expense Rs. 848.89 Lakh</p> <p>Profit before Tax Rs. 8.84 Lakh</p> <p>Profit after Tax Rs. 9.33 Lakh</p>
5	Foreign Investments or collaborations, if any.	Nil No foreign investment in the Company as such.

II. Information about the appointees:		
1	Background details and Experience	<p>Mr. Venu Madhava Kaparthy, is a Qualified Chartered Accountant and Cost Accountant, having experience with more than 2 decades in the Banking and Finance Industry. He has vast experience in the field of Audit, Assurance, Tax, ERP, Corporate Treasury, Investment Banking. He has held senior positions in large organisations like ITC Limited, Britannia Industries Limited, Praxair India Private Limited, Makven Capital Private Limited, Bioneds India Private Limited.</p> <p>In his immediate past role as CFO of Bioneds India Pvt. Ltd., he was instrumental in working closely with the Board and enhancing the overall business and Shareholder value significantly</p>
2	Age	53 years
3	Date of first appointment	Mr. Venu Madhava Kaparthy was appointed as Additional Director (executive category) of the Company w.e.f 21.05.2022 subject to the approval of shareholders
4	Board Meetings attended during the year	NA (Appointed after the closure of FY)
5	Committees of Board	NA (Appointed after the closure of FY)
6	Past Remuneration (p.a.)	Rs. 89,88,082/- p.a. (Rupees Eighty Nine Lakhs Eighty Eight Thousand and Eighty Two Only)
7	Job Profile and his suitability	<p>The following is the Job profile and responsibilities:</p> <ul style="list-style-type: none"> · To head the business development team to ensure the sustainability of the organization · Recruit key management and technical personnel · To prepare a business plan and strategy · To take care of Mergers & Acquisitions <p>Considering his past experience, Mr. Venu Madhava Kaparthy is aptly suitable to be appointed as a Executive Director of the Company.</p>
8	Remuneration proposed (p.a.)	(Detailed in the resolution)
9	Pecuniary relationship	He has no pecuniary relationship as such with the Company. He is holding 4,51,300 Equity Shares of the Company as on the date of this notice
Comparative remuneration profile with respect to industry, size of company, profile of the position and person		Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.



III. Other Information		
1	Reasons of loss or inadequate profits	The Company has grown positively in the past few years. however, it will take some more time for the Company to grow fully and become a market leader in this sector. Also, the overheads of the Company are currently high and will come down gradually with increase in the order book of the Company.
2	Steps taken or proposed to be taken for improvement	Focus would be on stabilizing existing projects and new business acquisitions for organic and inorganic growth in the similar line of business or otherwise.
3	Expected increase in productivity and profits in measurable terms:	The revenue of the Company has increased comparatively during the last few financial years. The Company hopes a further increase in the revenue and profits by improved margins in next financial year.

Accordingly, Item No. 3 and 4 is recommended for your approval as Special Resolution

None of the Directors, KMPs or their relatives are interested in this resolution.

Item No. 5 and 6

In accordance with the Provisions of Section 152 read with Schedule - IV to the Companies Act, 2013, appointment of a Director requires approval of the Members in the General Meeting. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Ms. Mini Manikantan (DIN: 09663184) be appointed as an Additional Executive Director on the Board, in terms of Section 152 of the Companies Act, 2013, whose office is liable to retire by rotation.

The Company has received individual Declarations from Ms. Mini Manikantan (DIN: 09663184) stating that she is not disqualified from being appointed as a Director in terms of Section 152 of the Act and has given her individual consent to act as Director.

The Board hereby recommends the appointment of Ms. Mini Manikantan (DIN: 09663184) as the Whole Time Director of the Company for a period of 3 years w.e.f 09.07.2022 subject to approval of the shareholders

The following is a brief profile of Ms. Mini Manikantan (DIN: 09663184)

Ms. Mini Manikantan holds a Master's in Business Management and Administration with dual specialization in Advanced Finance, Accounting, Taxation and also holds a Master's in Human Rights from Mount Carmel University. She holds several certifications in Project Management, Quality Management and had secured highest in 'Logical reasoning' from Bangalore University.

Ms. Mini Manikantan with over 14+ years of experience in the Pharmaceutical Industry has led the Project Management since the start of career and has been instrumental in building the communication channel across the regions and responsible for the Company's end-to-end operational service. She spearheaded innovative partnerships via execution, CRO identification, Site Evaluation, Strategy Preparation, Financial Evaluations, Time Management, Budgeting, Commercials and Operations. She's previously worked with companies like Dr. Reddy's Lab and Eurofins Advinus.

Taking into consideration her rich profile and in view of the responsibility, the Board, pursuant to the recommendation of Nomination and Remuneration, approved the appointment of Ms. Mini Manikantan (DIN: 09663184) as Whole Time Director of the Company subject to requisite approvals.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the terms of appointment and remuneration as set out in Item No. 5 and 6 are now being placed before the members for their approval by way of Ordinary Resolution.



Pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year during the tenure of the Whole Time Director, the Company has Nil Profits or the Profits are inadequate, the following additional information is required to be submitted to the shareholders

Information required under Section II, Part II of Schedule V of the Companies Act, 2013:

I. General Information		
1	Nature of Industry	The Company is a pharmaceutical company providing trading and manufacturing of Generics, Bulk Drugs and Intermediaries, etc.
2	Date of expected date of commencement of commercial production	The Company has already commenced its commercial operations
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	<p>The following are the financial parameters of the Company as on March 31, 2022</p> <p>Turnover - Rs. 393.93 Lakh</p> <p>Total Expense - Rs. 381.41 Lakh</p> <p>Profit before Tax - Rs. 14.03 Lakh</p> <p>Profit after Tax - Rs. 14.51 Lakh</p> <p>as on March 31, 2021</p> <p>Turnover - Rs. 855.10 Lakh</p> <p>Total Expense - Rs. 848.89 Lakh</p> <p>Profit before Tax - Rs. 8.84 Lakh</p> <p>Profit after Tax - Rs. 9.33 Lakh</p>
5	Foreign Investments or collaborations, if any.	<p>Nil</p> <p>No foreign investment in the Company as such.</p>
II. Information about the appointees:		
1	Background details and Experience	<p>Ms. Mini Manikantan holds a Master's in Business Management and Administration with dual specialization in Advanced Finance, Accounting, Taxation and also holds a Master's in Human Rights from Mount Carmel University. She holds several certifications in Project Management, Quality Management and had secured highest in 'Logical reasoning' from Bangalore University.</p> <p>Ms. Mini Manikantan with over 14+ years of experience in the Pharmaceutical Industry has led the Project Management since the start of career and has been instrumental in building the communication channel across the regions and responsible for the Company's end-to-end operational service. She spearheaded innovative partnerships via execution, CRO identification, Site Evaluation, Strategy Preparation, Financial Evaluations, Time Management, Budgeting, Commercials and Operations. She's previously worked with companies like Dr. Reddy's Lab and Eurofins Advinus.</p>
2	Age	37 years
3	Date of first appointment	Ms. Mini Manikantan was appointed as Additional Director (executive category) of the Company w.e.f 09.07.2022 subject to the approval of shareholders
4	Board Meetings attended during the year	NA (Appointed after the closure of FY)



5	Committees of Board	NA (Appointed after the closure of FY)
6	Past Remuneration (p.a.)	Rs. 22,20,923/- p.a. (Rupees Twenty Two Lakhs Twenty Thousand Nine Hundred Twenty Three Only)
7	Job Profile and his suitability	The following is the Job profile and responsibilities: <ul style="list-style-type: none"> To head the operations team Recruit key management and technical personnel Considering her past experience, she is aptly suitable to be appointed as the Whole Time Director of the Company and to fulfil the roles and responsibilities entrusted upon her.
8	Remuneration proposed (p.a.)	(Detailed in the resolution)
9	Pecuniary relationship	She has no pecuniary relationship as such with the Company.
Comparative remuneration profile with respect to industry, size of company, profile of the position and person		Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.
III. Other Information		
1	Reasons of loss or inadequate profits	The Company has grown positively in the past few years. however, it will take some more time for the Company to grow fully and become a market leader in this sector. Also. the overheads of the Company are currently high and will come down gradually with increase in the order book of the Company.
2	Steps taken or proposed to be taken for improvement	Focus would be on stabilizing existing projects and new business acquisitions for organic and inorganic growth in the similar line of business or otherwise.
3	Expected increase in productivity and profits in measurable terms:	The revenue of the Company has increased comparatively during the last few financial years. The Company hopes a further increase in the revenue and profits by improved margins in next financial year.

Accordingly, Item No. 5 and 6 is recommended for your approval as Ordinary Resolution

Except the appointee, None of the Directors, KMPs or their relatives are interested in this resolution.

Item 7 & 8 Adoption of new set of articles and alterations to Memorandum of Association in line with the Companies Act, 2013

Certain necessary amendments are required to be made to the existing memorandum of association of the Company to bring it in line with the provisions of the Companies Act, 2013 and certain other modifications as desired by the Board.

Further, Clause II of the Memorandum of Association is being amended to incorporate the word “Telangana” instead of “Andhra Pradesh” since the state of Andhra Pradesh has been bifurcated and the registered office of the Company now falls under the state of Telangana.

Hence the Board of Directors proposes to accordingly amend the Memorandum of Association and seek shareholders’ approval for the same.

Further, the Existing Articles of Association are replaced and adopted by the new set of Articles of Association as per the requirements of the Companies Act, 2013. The modification in Articles of association is carried out to give effect to provisions of the Companies Act, 2013 and certain other modifications as desired by the Board.

Hence the Board of Directors proposes to accordingly amend the Articles of Association and seek shareholders’ approval for the same.

This resolutions are recommended for your approval as a Special Resolutions.

None of the Directors, KMP and/or their relatives are interested in the resolutions, except to the extent of their shareholding.

The draft set of the Articles of Association and Memorandum of Association has been kept at the registered office of the Company and is available for public inspection and have been uploaded in accordance with the provisions of the Companies Act.



Item No. 9

The Registered Office of the Company is presently situated in the State of Telangana (earlier, Andhra Pradesh).

The Board of Directors at their Meeting held on 21st May 2022 have decided to shift the Registered Office of the Company to State of Karnataka. Shifting of Registered Office from the State of Telangana to the State of Karnataka is part of the future business planning of the Company, to expand its operation in the State. The proposed transfer will facilitate the Company to make optimum utilization of the opportunities available in the State of Karnataka, the set targets and objectives, which would be in the interest of the Company and its Members.

The Board is further of the view that the proposed shifting of the Registered Office would improve the access to new managerial talent and resources and facilitate carrying on the business of the Company more advantageously, efficiently, economically and conveniently. It was therefore felt prudently that the operations of the company can be better managed if the Registered Office of the company is shifted from the State of Telangana to the State of Karnataka. Further there is better growth for the business of the Company in the State of Karnataka and has therefore propose to shift the Registered Office of the Company to the State of Karnataka.

Section 13(4) and other applicable provisions if any of the Companies Act, 2013 read along with Companies (Incorporation) Rules, 2014 provides for shifting of the Registered Office from one state to another state subject to the approval of the Members, Central Government or the Regional Director, or / and any other relevant authorities and consequential alteration in the Registered Office Clause II of the Memorandum of Association of the Company.

The proposed change is not prejudicial to the interest of the Members, Public at large, Employees and other Business Associates of the Company.

The Board of Directors recommends the Resolution set out at Item No. 9 of the Notice for the approval of the Members.

None of the Directors and Key Managerial Person of the Company is in any way concerned or interested in the said Resolution. Your Directors recommend the Resolution for your approval as a Special Resolution.

Item No. 10

The present Authorised Share Capital of the Company is Rs.11,00,00,000/- (Rupees Eleven Crores Only) comprising of 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of Rs.10/- each.

Considering the increased fund requirements of the Company, the Board at its Meeting held on 21st May 2022 had accorded its approval for increasing the Authorised Share Capital from Rs.11,00,00,000/- (Rupees Eleven Crores Only) to Rs.16,50,00,000/- (Rupees Sixteen Crores Fifty Lakhs Only) by creation of 55,00,000 (Fifty Five Lakhs Only) additional Equity Shares of Rs.10/- each ranking pari-passu with the existing Equity Shares in all respects, as per the Memorandum and Articles of Association of the Company.

Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the changed Authorised Share Capital.

The proposal for increase in Authorised Share Capital and amendment of Memorandum of Association of the Company requires approval of the Members at the General Meeting.

A copy of the Memorandum of Association duly amended will be available for inspection in the manner provided in Item No. 10 of this Notice.

None of the Directors and Key Managerial Person of the Company is in any way concerned or interested in the said Resolution.

The Consent of the Members is therefore being sought for the above mentioned Resolution of the Notice as an Special Resolution.

Item No. 11

The Board of Directors of the Company ("Board") in their Meeting held on May 21, 2022 and July 22, 2022 subject to necessary approval(s), have approved the proposal for raising of funds for an amount not exceeding Rs.8,85,00,000 by way of issue of 59,00,000 equity Share Warrants having Face Value of Rs.10/- each under Preferential Issue / Private Placement basis at a price of Rs. 15/- per share and subject to and in accordance with SEBI (ICDR) Regulations.



In terms of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 and Rules made thereunder (the Act), and in accordance with the provisions of Chapter V “Preferential Issue” of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “ICDR Regulations”) as amended, and on the terms and conditions and formalities as stipulated in the Act and the ICDR Regulations, the Preferential Issue requires approval of the Members by way of a Special Resolution. The Board, therefore, seeks approval of the Members as set out in the notice, by way of a Special Resolution.

Subject to approval of the Shareholders of the Company, the Board has authorized the issuance and allotment of 59,00,000 (Fifty Nine Lakhs) Share Warrants at a price of Rs.15/- Per Equity Share provided that the Minimum Price of Equity Shares so issued shall not be less than the price arrived at, in accordance with Chapter V of the ICDR Regulations, to the Investors by way of a Preferential Allotment for a total consideration of Rs.8,85,00,000/- (Rupees Eight Crores Eighty Five Lakhs Only)

The following disclosures for the Issue of Equity Shares on Preferential Basis are made in accordance with the provisions of Section 62 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and ICDR Regulations:

Objects of the Issue	To meet Working Capital requirements and part-finance the business expansion program					
Total Number/Maximum number of Shares to be issued	59,00,000 Equity Share warrants are being issued now and equivalent number of equity shares of Face value of Rs.10/- each will be allotted upon exercise of conversion option. Aggregating to Rs. 8,85,00,000/-					
Price or Price Band at which the allotment is proposed	The Issue Price is Rs.15/- Per Share (Face Value Rs.10/- + Rs.5/- Share Premium) or such price arrived at, in accordance with Chapter V of the ICDR Regulations.					
Basis on which the Price has been arrived at	The Board has decided the price for the said preferential allotment of equity shares/warrants at Rs. 15/- considering various parameters. However, the allotment shall not be less than the price arrived at in accordance with Chapter IV read with Regulation 164 & Regulation 166 A of SEBI (ICDR) Regulations. The Equity Shares of Company are listed on BSE Limited and are frequently traded in accordance with the ICDR Regulations.					
The Relevant Date on the basis of which price has been arrived at	July 21, 2022					
The class or classes of person to whom the allotment is proposed to be made (All subscribers are non promoters)	Name of Investor	Identity of Natural Person who are the Ultimate Beneficial Owner of the Share proposed to be issued	Pre-Issue		Post-Issue@	
			Number of Shares	%	Number of Shares	%
	Sapna YR	AHNPR9053L	Nil	Nil	4,25,000	2.62
	A Bala Krishna	ALDPB3459J	Nil	Nil	4,25,000	2.62
	S Prasad	AQMPP2599R	Nil	Nil	4,25,000	2.62
	Raghavendra N	AGPPN3622A	Nil	Nil	4,25,000	2.62
	Venu Madhava Kaparthy	AAWPM7874Q	4,51,300	4.38	8,76,300	5.41
	Jayalakshmi R	AUFPR9146R	Nil	Nil	4,25,000	2.62
	V Mahendra	AIAPM2590H	Nil	Nil	5,00,000	3.08
	Balaganga dhara B C	AFUPC3328Q	Nil	Nil	6,50,000	4.01
	Shankarapp Anagarala Vinaya Babu	AEJPV9478A	10,00,000	9.70	27,00,000	16.66
	Mini Manikantan	APYPM4112Q	Nil	Nil	5,00,000	3.08
Total			14,51,300	14.08	73,51,300	45.34



Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the Offer	Except Mr. Venu Madhava Kaparthy and Ms. Mani Manikantan (Non Promoter - Additional Directors) None of the Promoters, Directors or Key Managerial Personnel of the Company are subscribing to the Preferential Allotment. All the subscribers are Non-promoters and upon completion of the proposed Preferential Issue, the Investors shall be classified as “Non Promoters” only No intention of the Promoters to participate in the said preferential issue.			
The proposed time within which the allotment shall be completed	Under Regulation 170 of the ICDR Regulations, Preferential Allotment of the Equity Shares is required to be completed within a period of 18 (Eighteen) Months from the date of passing of the Special Resolution of the Shareholders of the Company or within the statutory time limits prescribed by the Regulatory authorities subject to all the necessary approvals being in place. If any approval or permissions by any Regulatory or Statutory Authority or the Central Government for allotment is pending, the Period of 18 (Eighteen) Months shall commence from the date of such approval or permission being obtained.			
Names of the Proposed Allottees and the percentage of post Preferential Offer Capital that may be held by them	S No	Name of the Proposed Allottees*	PAN	%*@
	1	Sapna YR	AHNPR9053L	2.62
	2	A Balakrishna	ALDPB3459J	2.62
	3	S Prasad	AQMPP2599R	2.62
	4	Raghavendra N	AGPPN3622A	2.62
	5	Venu Madhava Kaparthy	AAWPM7874Q	5.41
	6	Jayalakshmi R	AUFPR9146R	2.62
	7	V Mahendra	AIAPM2590H	3.08
	8	Balagangadhara B C	AFUPC3328Q	4.01
	9	Shankarappanagaraja Vinaya Babu	AEJPV9478	16.66
	10	Mini Manikantan	APYPM4112Q	3.08
The proposed allottees are Non promoters and shall remain non-promoters subsequent to allotment of warrants and conversion.				
Change in control, if any in the Company that would occur consequent to the Preferential Offer	No Consequent to the completion of the allotment, the Investors will be classified as Non - Promoters and will not be in control of the Company. No change in control pursuant to the preferential allotment.			
Number of Persons to whom allotment on Preferential Basis have already been made during the year, in terms of number of Securities as well as Price.	Nil			
Time frame within which the preferential issue shall be completed;	Allotment shall be completed within a period of fifteen days from the date of passing of such resolution, subject to and in accordance with Chapter V of Preferential Allotment.			

*All natural persons and are the ultimate beneficial owners of the proposed shares being allotted and no body corporates
 @Assuming all the equity warrants are converted



The following is the shareholding pattern before and after the issue:

Name of the Shareholders	Pre issue shareholding		Preferential Issue	Post Issue Shareholding@	
	No. of Shares held	% of Shares	No. of Share	No. of shares held	% of Shares
Promoter & Promoter Group					
Individuals/Hindu Undivided Family	2134770	20.70	-	2134770	13.17
Others	—	—	—	—	—
Total Promoter Group(A)	2134770	20.70	-	2134770	13.17

Public shareholding					
Non-institutions					
(a) Bodies Corporate	32798	0.32	-	32798	0.20
(b) Individuals	8120183	78.75	5900000	14020183	86.48
(c) NRIs	20170	0.20	—	20170	0.12
(d) Clearing Members	3313	0.03	—	3313	0.02
Total Public Shareholding (B)	8176464	79.30	5900000	14076464	86.83
TOTAL (A)+(B)	10311234	100	5900000	16211234	100

@Assuming all the equity warrants are converted

The Company hereby undertakes that the Company shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so and further undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees as applicable.

None of the Directors or Promoters are willful defaulters or fraudulent borrower. The promoters do not intend to participate in the said preferential issue. The proposed subscribers are not related to each other and are not persons acting in concert.

The present allotment is for cash and not for consideration other than cash. The Company has obtained a valuation certificate from Mr. G Murali, FCA, Registered Valuer (IBBI Reg Valuer No. IBBI/RV/02/2019/11566) having its office at Flat No -507, Everest Block, 'C' Block, 5th Floor, Aditya Enclave, Mythivanam, Beside Ameerpet Metro Station, Hyderabad-500038, in accordance with Regulation 166A of SEBI (ICDR) Regulations. The same shall be uploaded on the website of the Company at <http://www.pharmaids.com/>. The Company has not made any other issue or allotment of securities on preferential basis during the year 2021-22 and during the period from 1st April, 2022 till the date of this notice.

The Warrants and Equity Shares allotted upon conversion of Warrants shall be locked-in for such period as may be specified under the SEBI (ICDR) Regulations. The articles do not provide for a method of a determination which results in a floor price higher than that determined under these regulations.

Accordingly, the approval of the Members of the Company is hereby sought by way of special resolution for authorizing the Board of Directors of the Company to create, offer, issue and allot convertible warrants as specifically described in the resolutions set out at Item Nos. 11 of this Notice.

The Board of Directors believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out in the accompanying notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company except Mr Venu Madhava Kaparthy.(DIN 00021699) and Ms. Mini Manikantan (DIN 09663184) who are currently Additional Directors (Executive Category).

The certificate from the Practicing Company Secretary, certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations shall be available/uploaded for inspection to the Members at the Meeting in accordance with provisions of Companies Act, 2013. The same shall be uploaded on the website of the Company at <http://www.pharmaids.com/>.

**‘Annexure – A’ to the Notice****Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on ‘General Meetings’ issued by the Institute of Company Secretaries of India]

Name of the Director	Sadhanala Venkata Rao	Venu Madhava Kaparthy	Mini Manikantan
DIN	02906370	00021699	09663184
Date of Birth	25/12/1963	11/07/1969	22/11/1984
Age	58	53	37
Date of First Appointment / Re-appointment on the Board	06/01/2021	21/05/2022	09/07/2022
Qualifications	Chartered Accountant Company Secretary, LLB	Chartered Accountant Cost and Management Accountant	Masters in Business Management and Administration Masters in Human Rights
Experience	30 Years	27 Years	14 years
Terms and Conditions of Appointment	Appointed as Non Independent and Non-Executive Director on the Board, liable to retire by rotation Retiring by rotation at this AGM	Appointed as an Additional Director under Executive Category Being appointed as WTD subject to approval of the shareholders	Appointed as an Additional Director under Executive Category Being appointed as WTD subject to approval of the shareholders
Nature of Expertise in Specific Functional Areas	30 years of Experience in the field of Banking, Finance and Legal	27 years of Experience in the field of Audit Assurance, Tax, ERP, Corporate Treasury & Investment Banking	Over 14+ years of experience in the Pharmaceutical industry and has led the project management
Remuneration last Drawn	Nil from the Company	Nil from the Company	Nil from the Company
Number of Meetings of the Board attended during the Year	5 out of 5	NA as appointed after the end of FY	NA as appointed after the end of FY
Inter-se Relationship with other Directors and Key Managerial Personnel	Brother of Viswa Prasad Sadhanala who has resigned as WTD w.e.f 09.07.2022 Husband of Padmaja Kalyani who has resigned as WTD w.e.f 21.05.2022	None	None
List of Directorship	Not a Director in any listed Company except Pharmaids Pharmaceuticals Limited	1. Four Seasons Energy Ventures Private Limited (Not a Director in any listed Company except Pharmaids Pharmaceuticals Limited)	None (Not a Director in any listed Company except Pharmaids Pharmaceuticals Limited)
Membership / Chairmanship of Committees of other Board (Listed)	Nil	Nil	Nil
Shareholding in Pharmaids Pharmaceuticals Limited	31,08,531 Equity Shares	4,51,300 Equity Shares	Nil
Name of listed companies from which the person has resigned in past 3 years	Vanta Bioscience Limited – resigned w.e.f 05.01.2021	None	Nil

Date: 22.07.2022

By Order of the Board of Directors

Place: Hyderabad

CIN: L52520TG1989TLC009679Regd. Office: # 4-4-211/212/3, 1ST Floor, Inderbagh

Sultan Bazaar, Hyderabad – 500095

Sd/-

Annie Jodhani

Company Secretary

**DIRECTORS' REPORT**

To

The Shareholders

The Directors have pleasure in presenting the 33rd Annual Report of the Company, together with the Financial Statements, for the Year ended 31st March' 2022.

1. Financial Highlights

(Rs. in Lakhs)

Particulars	2021-2022	2020-2021
Sales	393.93	855.10
Other Income	1.51	2.63
Total Income	395.44	857.73
Total Expenses	381.41	848.89
Profit / (Loss) Before Tax	14.03	8.84
Current Year Tax	-	-
Deferred Tax	(0.49)	(0.49)
Profit / (Loss) After Tax	14.51	9.33

2. State of Company Affairs

The Company's Revenues stood at Rs.395.44 Lakhs during the year under review, PAT at Rs.14.51 Lakhs as against the corresponding Previous Year, there was Revenue of Rs.857.73 and the PAT was Rs.9.33 Lakhs. Your Directors are giving their best efforts and are confident of exploring more business opportunities and growth and profitability of the Company, in the years ahead.

3. Dividend

The Board of the Company do not recommend any Dividend on the Equity Shares of the Company for the Financial Year ended 31st March' 2022.

4. Transfer to Reserves

The Company has not proposed to transfer any amount to the General Reserve.

5. Share Capital

The Authorized Share Capital of the Company as on 31st March' 2022 is Rs.11,00,00,000/- divided into 1,10,00,000 Equity Shares of Rs. 10/- each and the Paid-up Share Capital is Rs.10,26,88,190/- divided into 1,02,68,819 Equity Shares of Rs. 10/- each.

6. Public Deposits

The Company has neither accepted nor renewed any Deposits from Public as defined under the provision of the Companies Act, 2013 and 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:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- The Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that were 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 the applicable laws and that such system were adequate and operating effectively.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sadhanala Venkata Rao (DIN: 02906370) who retires by rotation and offers himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

There were no changed in the Board of Directors or KMPs during the period under review.

Subsequently, till the date of the Directors' Report, the following changes took place on the Board of the Company:

S No	Name of Director	Change	Date
1	Mrs. Sadhanala Padmaja Kalyani	Resignation (Executive Category)	21/05/2022
2	Mr. Venu Madhava Kaparthy	Appointed as an Additional Director under Executive Category	21/05/2022
3	Ms. Mini Manikantan	Appointed as an Additional Director under Executive Category	09/07/2022
4	Mr. Viswa Prasad Sadhanala	Resigned as Whole Time Director	09/07/2022

Declaration from Independent Directors on Annual Basis

The Company has received the Declaration from Mr. Vyasmurti Madhavrao Shingatgeri, Mr. Veerareddy Vallapureddy and Mr. Mopperthy Sudheer, 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.

In the opinion of the Board, the Independent Directors posses the requisite integrity, expertise and experience (including the proficiency) of the independent directors.

Nature of Business

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

Statutory Auditors

M/s. PPKG & Co, Chartered Accountants (Firm Registration No. 0096555) were appointed as the Statutory Auditors of the Company by the Members in their 29th AGM held on 28th September' 2018 for a period of 5 years and shall hold the Office until the conclusion of the 34th Annual General Meeting of the Company. Accordingly, they have carried out the Statutory Audit for FY 2021-22.

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 Outflow.

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 had appointed Mr. Kashinath Sahu, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed here with as ‘Annexure – B’

During the year under review, there were no qualifications, reservations or adverse remarks reported by Secretarial Auditor under Section 204 of the Companies Act, 2013 in the course of the performance of his duties as Secretarial Auditor.

Auditors’ Report

There are no qualifications or adverse remarks in the Auditors’ Report which require any clarification/ explanation. The Notes on Financial Statements are self – explanatory and needs no further explanation.

During the Year under review, there were no instances of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013 in the course of the performance of their duties as Statutory Auditors of the Company.

Management Discussion and Analysis

Pursuant to Regulation 34(2)(e) of the SEBI (LODR) Regulations, 2015, Report on Management Discussion and Analysis, is herewith annexed as ‘Annexure – C’

Corporate Governance and Shareholders Information

A detailed report on the subject forms part of this Report as ‘Annexure – D’. The Secretarial Auditors of the Company have examined the Company’s Compliance and have certified the same as required under the SEBI Guidelines / Regulations. Such a Certificate on Corporate Governance is reproduced in this Annual Report.

Annual Return

A copy of the Annual Return as at March 31, 2022 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 11(1) of the Companies (Management and Administration) Rules, 2014 and forming part of this Report is placed on the website of the Company as per provisions of Section 134(3) (a) and is available at the following link: www.pharmaids.com

Number of Meetings of the Board

During the year ended 31st March’ 2022 Five Board Meetings were held viz. 24th May’ 2021; 23rd July’ 2021; 20th August’ 2021; 9th November’ 2021; and 28th January’ 2022, in accordance with the provisions of the Companies Act, 2013 and in compliance with the Secretarial Standards of the Institute of Company Secretaries of India.

Directors’ Attendance Record:

Name of the Director	Number of Board Meetings	Number of Board Meetings attended during the Year
Vyasmurti Madhavrao Shingatgeri	4	4 out of 5
Mopperthy Sudheer	4	4 out of 5
Sadhanala Padmaja Kalyani	5	5 out of 5
Sadhanala Vishwa Prasad	5	5 out of 5
Sadhanala Venkata Rao	5	5 out of 5
Veerareddy Vallapureddy	5	5 out of 5



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

The Company has not given any Loans nor provided Guarantee nor made any Investments during the Financial Year 2021- 2022, which is beyond the limits as per the Section 186 of the Companies Act, 2013.

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

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. There were no related party transactions with any person or entity belonging to promoter/promoter group which holds 10% or more shareholding in the Company. Details of all related party transactions are disclosed in the financial statements.

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.

Details of Subsidiary Companies, Associates and Joint Venture Companies

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

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 and to the Chairman and 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 levels 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 31st March' 2022 and 22nd July' 2022 (Date of the Report)

There were no material changes and commitments affecting the Financial Position of the Company between the end of Financial Year 31st March' 2022 and the Date of the Report 22nd July' 2022.

**Audit Committee**

The Board has constituted the Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition, Attendance, Powers and Role of the Audit Committee are included in Corporate Governance Report. All the recommendation made by the Audit Committee were accepted by the Board of Directors

Four audit committee meetings were held during the year under review on 24th May' 2021; 23th July' 2021; 09th November' 2021 and 28th January' 2022.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been formed in compliance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013. The main object of this Committee is to identify persons who are qualified to become Directors and who may be appointed in Senior Management of the Company, recommend to the Board their appointment/removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time. On the recommendation of the Nomination and Remuneration Committee, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other Employees pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Brief terms of Nomination and Remuneration Policy and other matters provided in Section 178(3) of the Act and Regulation 19 of SEBI Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of this Report.

Two nomination and remuneration committee meetings were held during the year on 24th May' 2021 & 28th January' 2022.

Stakeholders Relationship Committee

The Committee is responsible, inter – alia, to specifically look into the redressal of grievances of Shareholders, including complaints related to transfer of Shares, Non-receipt of Balance Sheet, etc.,

One Meeting of the Stakeholders' Relationship Committee was held during the year on 20th August' 2021.

Name, Designation and Address of Compliance Officer:

Annie Jodhani - Company Secretary & Compliance Officer,

Reg Office: #4-4-211/212/3, 1ST Floor, Inderbagh, Sultan Bazaar Hyderabad – 500095

Details of Complaints / Requests received, resolved and pending during the Financial Year 2021-22:

During the Quarter	Received	Resolved	Pending
First Quarter	Nil	Nil	Nil
Second Quarter	Nil	Nil	Nil
Third Quarter	Nil	Nil	Nil
Fourth Quarter	Nil	Nil	Nil

Risk Management Committee

The Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to forming of Risk Management Committee, is not applicable to the Company during the Financial Year under review.



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) and (10) of the Companies Act, 2013. The same has been placed on the website of the Company <https://www.pharmaids.com>

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 24th May' 2021 without attendance of Non – Independent Directors and Members of the 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 Timelines of flow of information between the Company Management and the Board, that is necessary for the Board to perform their duties effectively and reasonably.x

The Meeting also reviewed and evaluated the performance of Non – Independent Directors.

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

- Preparedness for Board / Committee Meetings
- Attendance at the Board / Committee Meetings
- Guidance on Corporate Strategy, Risk Policy, Corporate Performance and Overseeing Acquisitions and Disinvestments.
- Monitoring the effectiveness of the Company's Governance Practices
- Ensuring a Transparent Board Nomination Process with the diversity of Experience, Knowledge, Perspective in the Board.
- Ensuring the integrity of the Company's Accounting and Financial Reporting Systems, including the Independent Audit, and that appropriate systems of control are in place, in particular, systems for Financial and Operational Control and Compliance with the law and relevant Standards.

Listing with Stock Exchanges:

The Company is listed with BSE Ltd and has paid the Annual Listing Fees for the year 2022 – 2023.

Transfer of Amounts to Investor Education and Protection Fund

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

Particulars of Employees

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any Employee who is employed throughout the Financial Year and in receipt of Remuneration of Rs.120 Lakhs or more, or Employees who are employed for part of the year and in receipt of Rs.8.50 Lakhs or more per month.

The Company does not have any Employee who is employed throughout Financial Year or part thereof, who was in receipt of Remuneration in Financial Year under review which in aggregate, or as the case may be, at a rate which in the aggregate is in excess of that drawn by the Managing Director or Whole Time



Director and holds by himself or along with his Spouse and Dependent Children not less than 2% of the Equity Shares of the Company.

Corporate Social Responsibility

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

Maintenance of Cost Records

The Provisions relating to maintenance of Cost Records under Section 148 of Companies Act, 2013 are not applicable to the Company.

Insider Trading Regulations

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

The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, Designated Employees and other Employees from Trading in the Securities of Pharmads Pharmaceuticals Limited at the time, when there is Unpublished Price Sensitive Information.

Policy on Preservation of the Documents

In terms of Regulation 9 of the Securities Exchange Board of India Listing Regulations, 2015 the Board has adopted this Policy for Preservation of Documents. To determine preservation period for records/documents based on their reference value and legal requirements.

Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to prevent Sexual Harassment of Women at Workplace as per “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” has been notified on 9th December, 2013. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to Sexual Harassment at workplace of any women employee. The Company has adopted “Anti-Sexual Harassment Policy” and has constituted “Redressal Committee” as required under Section 4 (1) of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the Year under review, no complaint of harassment at the workplace was received by the Committee.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company’s operations in future.
4. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and date of report.



5. There have been no Companies, which have become/ceased to be Subsidiaries, Joint Ventures or Associate Companies during the year under review.
6. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016;
7. There was no instance of onetime settlement with any Bank or Financial Institution;

Acknowledgements

The Directors hereby acknowledge the dedicated and loyal services rendered by the Employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from Bankers, Financial Institutions, Government Authorities, Business Partners, Shareholders and other Stakeholders without whom the overall satisfactory performance would not have been possible.

Date: 22nd July' 2022

Place: Hyderabad

By Order of the Board of Directors

Sd/-
Sadhanala Venkata Rao
Director
(DIN: 02906370)

Sd/-
Venu Madhava Kaparthy
Additional Director
(DIN: 00021699)

**ANNEXURE – A****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE****A. Conservation of Energy Power and Fuel Consumption**

	Current Year	Previous Year
1. Electricity (Purchased) Units	984	991
Total Amount (Rs.)	9,348	7,929
Rate Per Unit (Rs.)	9.50	8
2. Electricity (Generated) Units	-	-
Total Amount (Rs.)	-	-
Rate Per Unit (Rs.)	-	-
3 Total Units Consumed	984	991
Units Consumed in Per Lakh Production	-	-

- Company ensures that the Manufacturing Operations are conducted in the manner whereby optimum utilization 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 utilization 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 knowhow 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

Particulars	Current YearRs	Previous YearRs
Earnings	-	-
Outgo	-	-

Date: 22nd July' 2022

Place: Hyderabad

By Order of the Board of Directors

Sd/-

Sadhanala Venkata Rao
Director
(DIN: 02906370)

Sd/-

Venu Madhava Kaparthy
Additional Director
(DIN: 00021699)



ANNEXURE – B
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR
ENDED 31ST MARCH, 2022

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To
The Members
Pharmaids Pharmaceuticals Limited

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, Minutes Books, Forms and Returns filed and other records maintained by the Company and also information provided by the Company, its Officers, Agents and Authorised 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’ 2022, 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, Minutes Books, Forms and Returns Filed and other Records maintained by Pharmaids Pharmaceuticals Limited for the Financial Year ended on 31st March, 2022 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and 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 there under to the extent of Foreign Direct Investment, Overseas as 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 Trademarks Act, 1999

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- (iii) I report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above herein.
- (iv) I further report that, the Compliance by the Company of applicable Finance Laws like Direct and Indirect Tax Laws and maintenance of Financial Records and Books of Accounts has not been reviewed in this audit since the same have been subjected to review under the Statutory Financial Audit and other Designated Professionals.

I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Companies Act, 2013.
- b. Adequate Notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation of the Meeting.
- c. As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the review of the Compliance Reports and the Certificates of Company Secretary/ Director taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company with the size and operations of the Company to monitor and ensure Compliance with applicable Laws, Rules, Regulations and Guidelines.

This Report is to be read with our letter of even date, which is annexed as “Annexure – A” and forms an integral part of this Report.

For Kashinath Sahu & Co Company Secretaries

Date: 13.06.2022

Place: Hyderabad

Sd/-
Kashinath Sahu
Practicing Company Secretary
FCS:4790 CP:4807
UDIN: F004790C000485864
Peer Review No. 569 / 2018



Annexure – A to the Secretarial Audit Report

To

The Members

Pharmaids Pharmaceuticals Limited

My Report of even date is to be read along with this Letter.

1. Maintenance of the Secretarial Records 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 the 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. Wherever 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 the 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.

**For Kashinath Sahu & Co
Company Secretaries**

Date: 13.06.2022

Place: Hyderabad

Sd/-

Kashinath Sahu

Practicing Company Secretary FCS:4790 CP:4807

UDIN: F004790D000485864

Peer Review No. 569 / 2018



ANNEXURE – C MANAGEMENT DISCUSSION AND ANALYSIS

Economic and Industry Overview

The year 2021 has been another difficult year owing to the continuing and pervasive impact of COVID-19, especially with the advent of new variants caused significant challenges. Supply side constraints disrupted financial markets and businesses.

Entire 2021-22 was the year of transition for almost all the players across all the industries in the global landscape. The focus for all the industries globally is on two fronts, Viz., address the sustainability concerns of investors, and focuses on providing an exceptional client/ customer experience whose behaviors have changed significantly during the pandemic while balancing the profitability as well.

Global Pharmaceutical Market

Globally, the R&D and production of COVID-19 vaccines dominated the global pharmaceutical industry in 2021-22. More than 200 vaccines are currently under development for COVID-19 globally with various institutes and industries, with nearly 47 and 10 in clinical development a phase III clinical trials respectively.

Apart from the vaccine R&D and manufacturing, digitization, growth, and improvements in biosimilar adoptions, more investments in the innovative breakthrough medication and therapies and continual demand to be under the global lens are the overall trends that the pharma industry and its contributors and participants are experiencing.

The scene in the Indian pharma industry is no different. We saw approx. 15% growth particularly driven by Covid-19 products' R&D and manufacturing as compared to approx. 3% in pre-COVID years. As we swiftly pass 2021-22 and are currently going through a more optimistic 2022, India shined bright in the limelight. It becomes the largest provider of generic drugs globally.

Indian pharmaceutical sector caters to an excess of 50% of the demands generated globally of which approx. 40% and 25% of generic demands are from US and UK respectively. India ranks 3rd and 14th in terms production of various pharma by volume and value respectively. A network of ~3k drug companies and ~10.5k manufacturing units are contributing to this growth and achievement.

Pharma Outlook: Positive Factors

The New Financial Year comes with a new set of challenges in the midst of the ongoing COVID-19 Pandemic. However, we are confident of emerging from the current situation stronger and more determined than ever to deliver on our commitments.

India's pharmaceuticals market (IPM) is expected to grow between 6 and 8 per cent on a year-on-year (YoY) basis in FY23.

Accordingly, the growth has been capped due to high base effect and inventory stocking in FY21 on account of Covid-19-led disruption in supplies of key starting materials.

Besides, API (Active Pharmaceuticals Ingredient) businesses are expected to report high single-digit growth in FY23 due to a demand uptick, the overall revenue growth is expected at 9-to-10 per cent YoY.

"The interest coverage of large [pharma](#) players is likely to increase with scale and margin expansion."

"The large [pharma](#) companies to continue with their healthy debt-funded capex and research and development programme, given higher visibility in terms of sales growth and profitability."

Policy Support

To enable Indian pharmaceuticals industry to play a leading role in the global market and to ensure abundant availability, at reasonable prices within the country, of good quality pharmaceuticals of mass consumption.



Government of India's 'Pharma Vision is to make India a Global Leader in end-to-end Drug Manufacturing. In this Sector, 100% FDI is allowed under Automatic Route.

Increasing Investment

Increasing Private Sector Investments in R&D and Acquisitions are driving the Sector's growth.

Risks and Concerns

Risk is a Potential Event or Non-event, the occurrence or non-occurrence of which, can adversely affect the objectives or strategy of the Company or result in opportunities being missed. A risk could be categorized into Financial, Operational, Strategic, Regulatory / Statutory, Reputational, Political, Catastrophic/ Pandemic etc.

The Global Pharma Business is marked by a variety of risks. Pharmaceutical Companies struggle to globally enforce IP Protection, particularly in some emerging markets. Enhanced Regulatory Scrutiny is set against a backdrop of Increasing Patient Advocacy, Social Media and Affiliate marketing programs. The Digitization and Proliferation of Electronic Medical Records, Networked Medical Devices, Mobile Health Applications, Cloud- based technologies and Data-sharing among Industry Stakeholders have increased the complexity of Managing Information Assets, particularly Patient Health Information and Intellectual Property. The Success of new products in the Global Pharmaceutical Industry will more than offset Global Pricing Pressures, supporting an outlook change from stable to positive for the Industry.

Your Company constantly reviews its Policies and Procedures to adhere to ensure conformity to the various regulatory approvals for its Manufacturing Facilities.

Company Overview

Our focus is on expanding more revenue generation opportunities. Your Company continues to work towards optimizing the resources and aim at the business opportunities available in line with its strategy. Your Company will try to ensure that it remains competitive in market, in costs and will manage the business more dynamically.

Performance and Operations Review

Operating Results

The Company's Revenues stood at Rs.395.44 Lakhs during the year under review, PAT at Rs.14.51 Lakhs as against the corresponding Previous Year, there was revenue of Rs.857.73 Lakhs and the PAT was Rs.9.33 Lakhs. Your Directors are giving their best efforts for exploring more business opportunities so as to increase the growth and profitability of the Company, in the years to come.

Internal Control Systems and Adequacy

The Company has reasonable Internal Control Systems, with defined guidelines on Compliance, which enables it to run its operations with a fair degree of comfort.

Internal Controls are implemented to safeguard its Assets, to keep constant check on Cost Structure, to provide adequate Financial and Accounting Controls and implement Accounting Standards. The system incorporates continuous Monitoring, Routine Reporting, Checks and Balances, Purchase Policies, Authorization and Delegation procedures and Audit etc. Internal Controls are adequately supported by Internal Audit Team and periodic review by the Management.



The Audit Committee meets periodically to review with the Management, Statutory Auditors and with the Internal Auditors, Adequacy / Scope of Internal Audit Function, Significant Findings and follow up there on and findings of any abnormal nature. The system is improved and modified continuously to meet with changes in business condition, statutory and accounting requirements.

Material Development in Human Resources / Industrial Relations Front

The Number of Employees as on 31st March' 2022 was 7 (Seven).

The growth attained by the Company is largely a function of the competence and quality of its human resources. The work environment is very challenging and performance-oriented, recognizing employee potentials by providing them with adequate opportunities. We have made efforts to discipline our hiring process. Acquisition and retention of talent which is in line with your Company's goals continues to be a major thrust area.

Opportunities

According to Market Intelligence, the generic drugs market was valued at \$364.93 billion in 2021, and it is expected to reach \$468.79 billion by 2027, registering a CAGR of 4.27% during the forecast period of 2022-27. COVID-19 severely impacted the generic drugs market during the early pandemic due to the lockdown restrictions and supply chain disruption. Later, there was increased demand for generic pharmaceuticals as the COVID-19 infections provided many opportunities for generic drug manufacturers to manufacture the drugs to treat this infection. The Food and Drug Administration received 121 requests for product development and pre-submission pre-abbreviated New Drug Application meetings in 2020. Increasing frequency of chronic diseases among the population along with increasing initiatives by the regulatory bodies to control them in the countries of the region is a main driver growth of the APAC

**ANNEXURE – D****REPORT ON CORPORATE GOVERNANCE**

[Pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (“Listing Regulations”)]

(1) Company’s Philosophy on Code of Governance

Over the years, Pharmads Pharmaceuticals Limited (‘PPL’) has shown a commitment towards effective Corporate Governance and has always been at the forefront of benchmarking its Internal Systems and Policies with Global Practices. PPL believes that it needs to show a greater degree of responsibility and accountability. It is committed to provide Fair, Transparent and Equitable Treatment to all its Stakeholders. At PPL, we have always sought to be a value driven organisation, where our growth and success is directed by our values. The Company has complied with the norms of Governance as provided in Chapter-IV and Schedule-II of the Listing Regulations, during the year under review.

(2) Board of Directors**a. Composition and Category of Directors:**

The Composition of Board is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March’2022, PPL’s Board consisted of 6 (Six) Directors. The Board of Directors of the Company has an optimum combination of Executive and Independent Directors with One Woman Executive Director.

The details of the Board of Directors including their attendance at the Meetings of Board and Shareholders, Directorships / Chairmanships / Memberships on the Boards / Committees of other Companies and names of the Listed Entities where the person is a Director and the Category of Directorship as required under Regulation No. 34 read with Schedule – V of Listing Regulations are as below:

S No	Name of the Director and DIN	Category of Directorship	Attendance of Board Meeting		No. of Directorship in Listed Entities including this Listed entity (Refer Regulation 26(1) of Listing Regulation)*	Number of Memberships / Chairmanship in Audit / Stakeholder Committee(s) including this Listed AGM Entity (Refer Regulation 26(1) of Listing Regulations)		Whether Present at the Previous AGM
			Held	Attended		Chairman	Member	
1	Mr. Mopperthy Sudheer DIN: 00404917	Independent Director	5	4	1	0	1	Present
2	Mr. Veerareddy Vallapureddy DIN: 08061781	Independent Director	5	5	1	1	1	Present
3	Dr. Vyasmurti Madhavrao Shingatgeri DIN: 07728757	Independent Director	5	4	2	0	1	Present
4	Mrs. Sadhanala Padmaja Kalyani DIN: 03096445	Executive Director	5	5	1	0	1	Present
5	Mr. Sadhanala Vishwa Prasad DIN: 08068933	Executive Director	5	5	1	0	2	Present
6	Mr. Sadhanala Venkata Rao DIN: 02906370	Non – Executive Director	5	5	1	0	0	NA



The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which they are Directors. None of the Directors hold Office in more than 10 Public Companies. None of the Directors serve as Independent Director in more than Seven Listed Companies.

b. Number of Meetings of the Board of Directors held and dates on which held:

The Board met 5 (Five) times in the Financial Year 2021-22 on the following dates, with a gap not exceeding 120 Days (One Hundred and Twenty) between any two Meetings:

24th May' 2021; 23rd July' 2021; 20th August' 2021; 9th November' 2021; 28th January' 2022

c. Disclosure of relationships between Directors Inter-se:

Mr. Sadhanala Venkata Rao, Mrs. Sadhanala Padmaja Kalyani, and Mr. Sadhanala Viswa Prasad are relatives of each other as defined under Section 2(77) of the Companies Act, 2013.

Except as mentioned above, none of the Directors are related to each other.

List of Core Skills / Expertise / Competencies identified by the Board of Directors:

The Company requires skills, expertise and competencies in the areas of strategy, finance, accounting, legal and regulatory matters, the environment, sustainability and operations of the Company's businesses to efficiently carry on its core businesses.

The Board comprises of qualified Members who bring in the required skills, expertise and competence as mentioned above which allow them to make effective contributions to the Board and its Committees. The Members of the Board are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance.

List of Skills / Competencies required relation to Business Operations

Finance, Law, Management, Administration

Technical Knowledge on Operations, Production

Corporate Governance, Strategic Management

International Marketing and Sales

Names of Directors having such Skills / in Competencies

Mr. Veerareddy Vallapureddy

Mr. Mopperthy Sudheer

Mr. Venu Madhav Kaparthy

Ms. Mini Manikantan

Mr. Vyasmurti Madhavrao Shingatgeri

Ms. Mini Manikanthan

Mr. Venu Madhav Kaparthy

Mr. Mopperthy Sudheer

Ms. Mini Manikanthan

Mr. Venu Madhav Kaparthy

Mr. Sadhanala Venkata Rao

Mr. Vyasmurti Madhavrao Shingatgeri

Mr. Sadhanala Venkata Rao

Confirmation that in the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of the Management.



The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the Management.

(3) Committees of the Board

Currently, there are three Board Committees – Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the Chairman of the respective Committees.

The familiarisation programmes imparted to independent directors is disclosed are disclosed on the website of the Company <https://www.pharmaids.com>

The Role and Composition of these Committees, including the number of Meetings held during the Financial Year and the related attendance are provided below:

(1) Audit Committee

The Audit Committee functions as an interface between the Statutory and the Management and the Board of Directors. The terms of reference of Audit Committee is as per the framework prescribed under the Act and Rules thereunder and the Listing Regulations. The Audit Committee assists the Board in fulfilling its responsibilities of monitoring Financial Reporting processes; reviewing the Company's established systems and processes for Internal Financial Controls and Governance; and reviews the Company's Statutory and Internal Audit Processes.

The Committee comprises of 3 (Three) Directors, out of which 2 (Two) are Independent Directors. All the Members, including the Chairman of the Audit Committee are Financially Literate and have the ability to read and understand the Financial Statements. During the Financial Year 2021-2022, Four Meetings of the Committee were held on 24th May' 2021; 23rd July' 2021; 9th November' 2021 and 28th January' 2022.

Details on composition of the Audit Committee and the Members attendance during the year are as under:

Name of the Director	Designation	Number of Meetings Held During the Year	Number of Meetings Attended
Mr. Veerareddy Vallapureddy	Chairman	4	4
Mr. Mopperthy Sudheer	Member	4	4
Mr. Sadhanala Viswa Prasad	Member	4	4

The Chief Financial Officer of the Company and Statutory Auditors attended all the Meetings as Invitees. The Company Secretary of the Company acts as the Secretary of the said Committee.

(2) Nomination and Remuneration Committee

The Terms of reference of the Nomination and Remuneration Committee is as per the framework prescribed under the Act and the Rules thereunder and the Listing Regulations.

The Committee comprises of 3 (Three) Independent Directors.

During the Financial Year 2021 – 2022, Two Meetings of the Committee was held on 24th May' 2021 and 28th January' 2022.

Details on composition of the Nomination and Remuneration Committee and the Members attendance during the year are as under:

Name of the Director	Designation	Number of Meetings Held During the Year	Number of Meetings Attended
Mr. Veerareddy Vallapureddy	Chairman	1	1
Mr. Mopperthy Sudheer	Member	1	1
Mr. Vyasmurti Madhavrao Shingatgeri	Member	1	1



The Main Object of this Committee is to identify persons who are qualified to become Directors and who may be appointed in Senior Management of the Company, recommend to the Board their Appointment and Removal and shall carry out evaluation of every Director's Performance, recommend the Remuneration package of both the Executive and the Non – Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the Remuneration Package payable to the Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board, from time to time.

(a) Performance Evaluation Criteria for Independent Directors

Independent Directors are evaluated based on below mentioned criteria:

- a. Their general understanding of the Company's Business Dynamics
- b. Global Business and Social Perspective
- c. Professional Ethics, Integrity and Values
- d. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively

The Nomination and Remuneration Committee laid down the criteria for Performance Evaluation of all the Directors on the Board and recommended the same for evaluating the performance of each and every Director.

The Board evaluates the performance of Independent Directors annually based on their participation in the Board and Committee Meetings conducted during the year and the Committee recommends the Appointment / Re-appointment of the Independent Directors by assessing the role played by them in all the Meetings they attended.

A. Directors Policy for Selection of Directors and Determining Directors' Independence

(i) Scope:

This Policy sets out the Guiding Principles for the Nomination and 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.

(ii) Policy:

Qualifications and Criteria

The Nomination and Remuneration Committee and the Board shall review on an 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.

In evaluating the suitability of Individual Board Member, the 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.



The Nomination and Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's Business.

B. Criteria of Independence

1. The Nomination and 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.
2. The Criteria of Independence shall be in accordance with the Guidelines as laid down in Companies Act, 2013 and the Listing Agreement.
3. The Independent Director shall abide by the "Code for Independent Directors" as specified in the Schedule – IV to the Companies Act, 2013.

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, the 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.
- ii. The Nomination and Remuneration Committee shall take into account, the nature of and time involved in a Director's service on other Boards in evaluating the suitability of the Individual Director and making its recommendations to the Board.
- iii. A Director shall not serve as Director in more than 20 (Twenty) Companies of which not more than 10 (Ten) shall be Public Limited Companies.
- iv. A Director shall not serve as an Independent Director in more than 7 (Seven) Listed Companies and not more than 3 (Three) Listed Companies in case he is serving as a Whole Time Director in any Listed Company.
- v. A Director shall not be a Member in more than 10 (Ten) Committees or act as Chairman of more than 5 (Five) Committees across all the Companies in which he holds Directorships.

For the purpose of considering the limit of the number of Committees, 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.

(b) Remuneration Policy for Directors, Key Managerial Personnel and Other Employees

(i) 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.

(ii) Policy:

- a. Remuneration to Executive Director and Key Managerial Personnel
- b. The Board on the recommendation of the Nomination and Remuneration Committee shall review and approve the Remuneration Payable to the Executive Directors of the Company, within the overall limit approved by the Shareholders, as per the provisions of the Companies Act, 2013.
- c. The Board on the recommendations of the Committee, shall also review and approve the Remuneration Payable to the Key Managerial Personnel of the Company.



- d. The Structure of the Remuneration Payable to the Executive Directors and Key Managerial Personnel shall include the following components:
- Basic Pay
 - Perquisites and Allowances
 - Stock Options
 - Commission (applicable in case of Executive Directors)
 - Retirement Benefits
 - Annual Performance Bonus

The Annual Plan and Objectives for Executive Committee shall be reviewed by the Committee and Annual Performance Bonus will be approved by the Committee based on the achievement against the Annual Plan and Objectives.

1. Remuneration to Non – Executive Directors

The Board, on the recommendation of the Nomination and Remuneration 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, 2013.

Non – Executive Directors shall be entitled to the Sitting Fees for 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.

2. 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 Organisation. 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 on levels for equivalent jobs.

(3) Stakeholders Relationship Committee

Terms of reference of the Stakeholders' Relationship Committee is as per the framework prescribed under the Act and Rules thereunder and the Listing Regulations. The Committee comprises of 3 (Three) Directors, 1 (One) Independent Director and 2 (Two) Executive Directors. In the Financial Year 2021 - 2022, 1 (One) meeting of the Committee was held on 20th August' 2021.

Details on composition of the Stakeholders Relationship Committee and the Members attendance during the year are as under:

Name of the Director	Designation	Number of Meetings Attended
Mr. Veerareddy Vallapureddy	Chairman	1
Mr. Sadhanala Viswa Prasad	Member	1
Mrs. Sadhanala Padmaja Kalyani	Member	1

The Committee reviews the Security Transfers / Transmissions, process of Dematerialization and the Investors' Grievances and the systems dealing with these issues.

Ms. Annie Jodhani, Company Secretary is appointed as the Compliance Officer of the Company.

The Board has authorised the Company Secretary, who is also the Compliance Officer, to approve Share Transfers / Transmission and comply with other formalities in relation thereto. All the Investor Complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.



A total of nil complaints were received during the year and were totally resolved to the satisfaction of the Shareholders. There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March' 2022.

The Terms of Reference of the Stakeholders Relationship Committee are as under:

- Redressal of Grievances of Shareholders
- Transfer and Transmission of Securities
- Dealing with complaints related to transfer of Shares, Non – receipt of Annual Report etc.
- Issuance of Duplicate Share Certificates
- Review of Dematerialization of Shares and related matters
- Performing various functions relating to the interests of Shareholders / Investors of the Company as may be required under the provisions of the Companies Act, 2013; Listing Agreement with the Stock Exchanges and Regulations / Guidelines issued by the SEBI or any other Regulatory Authority.

In order to expedite the process and for effective resolution of grievances / complaints, the Committee has delegated powers to the Registrar and Share Transfer Agents i.e. M/s Venture Capital and Corporate Investments Pvt Ltd to redress all complaints / grievances / enquiries of the Shareholders / Investors. It redresses the grievances / complaints of the Shareholders / Investors under the supervision of Ms. Annie Jodhani, Company Secretary and Compliance Officer of the Company. The Committee, along with the Registrars and Share Transfer Agents of the Company follows the Policy of attending to the complaints, if any, within Seven Days from the date of its Receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the Reconciliation of Total Admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the Total Issued and Listed Capital is being carried out by the Practicing Company Secretary. This Audit confirms that the Total Issued and Paid-up Capital is in agreement with the Total Number of Shares held in Physical and Dematerialised form with NSDL and CDSL.

(4) Corporate Social Responsibility Committee

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

(5) Risk Management Committee

Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to forming of Risk Management Committee, is not applicable to the Company during the Financial Year under review.

(6) General Body Meetings

The Annual General Meetings (AGMs) for Financial Year ended 31st March' 2018 and 31st March' 2019 were held at Andhra Pradesh Chemists and Druggists Association, 5-9-262/ 1, King Koti, Hyderabad – 500 001, Telangana and the Annual General Meeting for Financial Year ended 31st March' 2020 and 31st March 2021 was held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) as detailed below:

Financial Year ended	Date	Day	Time	Special Resolutions passed at the AGM by the Shareholders
31 st March' 2021	25-09-2021	Saturday	12:00 P.M.	No Special Resolution was passed at the AGM
31 st March' 2020	17-09-2020	Thursday	12:00 P.M.	No Special Resolution was passed at the AGM
31 st March' 2019	30-09-2019	Monday	11:00A.M.	No Special Resolution was passed at the AGM
31 st March' 2018	28-09-2018	Friday	11:00A.M.	No Special Resolution was passed at the AGM

During the year, the Company has not passed any Resolution(s) through Postal Ballot.

**(4) Means of Communication:****a. Quarterly Results:**

The Quarterly, Half – Yearly and Annual Results of the Company were normally published by the Company in the newspapers within 48 hours from the conclusion of the Board Meeting.

The Annual Reports with the Audited Financial Statements are sent to the Shareholders through the permitted mode.

b. Newspapers wherein Financial Results normally published:

The Results are normally published by the Company in the newspapers in English version as well as in Regional Newspaper in the Vernacular language in all editions. The financial results of the company generally published in The Indian Mail (English Daily) and Nava Telangana (Telugu Daily)

c. Any website, where displayed:

The Results are also displayed on the Company's website: www.pharmaids.com

d. Whether it also displays official news releases:

The Newsletters and Press Releases from time to time were also displayed on the Company's Website. News items are sent to the BSE Limited, where Shares of the Company are Listed and the Exchange displays the same on their website.

(5) General Shareholder Information

- a. The 33rd Annual General Meeting of the Company will be held on Saturday, 20th August 2022 at 12:00 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to the MCA Circular dated 5th May' 2020 and as such there is no requirement to have venue for the AGM.

For details, please refer to the Notice of this AGM.

- Financial Calendar : 1st April' 2021 to 31st March' 2022
- Results for the Quarter ending

30 th June' 2021	23 rd July' 2021
30 th September' 2021	9 th November' 2021
31 st December' 2021	28 th January' 2022
31 st March' 2022	21 st May' 2022
- Date of Book Closure : 13th August' 2022 to 20th August' 2022
- Dividend Payment Date : NA
- Listing on Stock Exchange(s) : BSE Limited, Phiroze Jeejeebhoy Towers
Dalal Street Mumbai- 400001
- Stock Code : 524572
- ISIN Code (NSDL/CDSL) : INE117D01018
- b. The Listing Fees for the Year 2021-22 has been paid to the above Stock Exchange.
- c. Market Price Data and Performance in comparison to Broad Based Indices i.e. SENSEX
- d. The Equity Shares of the Company were listed on the BSE Limited (BSE) on 13th July' 1994.



The Monthly high and low of the Market Price of the Equity Shares of the Company having a Face Value of Rs.10/- each on the BSE for the period from 1st April' 2021 to 31st March' 2022 and comparison of performance to broad based indices i.e., SENSEX are as follows:

Month	BSE SENSEXPPL		Share Price		Number of Shares Traded	Turnover (Rs.)
	High Price	Low Price	High Price	Low Price		
April' 2021	50,375.77	47,204.50	18.63	10.27	6,10,232	91,26,026
May' 2021	52,013.22	48,028.07	30.40	18.55	3,81,802	95,11,003
June' 2021	53,126.73	51,450.58	24.15	16.85	2,13,169	45,82,644
July' 2021	53,290.81	51,802.73	19.35	12.05	3,30,897	50,84,381
August' 2021	57,625.26	52,804.08	16.80	12.20	4,34,810	64,18,232
September' 2021	60,412.32	57,263.90	17.00	13.25	2,31,154	33,72,611
October' 2021	62,245.43	58,551.14	24.10	14.00	7,62,133	1,47,12,806
November' 2021	61,036.56	56,382.93	17.65	13.60	3,89,641	59,25,875
December' 2021	59,203.37	55,132.68	15.39	12.30	18,46,510	2,50,68,408
January' 2022	61,475.15	56,409.63	19.35	13.95	9,69,775	1,55,27,364
February' 2022	59,618.51	54,383.20	15.49	12.25	12,41,091	1,70,67,315
March' 2022	58,890.92	52,260.82	15.75	12.30	27,92,469	3,89,97,471

I. Registrar and Transfer Agents and place for acceptance of documents:

M/s Venture Capital and Corporate Investments Pvt Ltd 12-10-167, Bharat Nagar, Hyderabad – 500018

E-mail: investor.relations@vccipl.com Website: <https://www.vccipl.com/index.html>

II. Share Transfer System

Transfer of Demat Shares is done through the Depositories with no involvement of the Company. As regards, Transfer of Shares held in Physical Form the Transfer Documents can be lodged with Venture Capital at the above mentioned address.

Hence, Shareholders holding Shares in Physical Form are requested to arrange for Dematerialisation of Shares at earliest to avoid any inconvenience for transferring those Shares.

III. Shareholding Pattern of the Company and Distribution of shareholding as on 31st March' 2022

Shareholding Pattern as on 31st March' 2022:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	PROMOTER AND PROMOTER GROUP			
(1)	Indian	27	36,54,775	35.44%
(2)	Foreign	-	-	-
	Total (A)	27	36,54,775	35.44%
(B)	<u>PUBLIC SHAREHOLDING</u>			
(1)	Institutions			
(2)	Non – Institutions	9,596	66,56,459	64.56%
	Total (B)	9,596	66,56,459	64.56%
(C)	Shares held by Custodians, against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group			
(2)	Public			
	Grand Total (A+B+C):	9,623	1,03,11,234	100.00%

Distribution of Shareholding as on 31st March' 2022

S No	Category	Cases	% of Cases	Amount	% Amount
1	Up to 1 - 5000	8,138	84.57%	1,16,63,540	11.31%
2	5001 - 10000	830	8.63%	70,26,610	6.81%
3	10001 - 20000	317	3.29%	47,61,640	4.62%
4	20001 - 30000	108	1.12%	28,43,730	2.76%
5	30001 – 40000	46	0.48%	16,22,050	1.57%
6	40001 - 50000	35	0.36%	16,59,260	1.61%
7	50001 - 100000	83	0.86%	60,41,050	5.86%
8	100001 and above	66	0.69%	6,74,94,460	65.46%
	Total	9,623	100.00%	10,31,12,340	100.00%

a. Dematerialisation of Shares and Liquidity:

As on 31st March' 2022, 92,19,583 Equity Shares of Rs.10/- each representing 89.41% of the Total Number of Shares are in Dematerialised Form. The Company's Shares are to be compulsorily traded in Dematerialised form and are available for dematerializing on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company's Equity Shares are regularly traded on BSE in Dematerialised form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE117D01018.

b. Outstanding GDR / ADR / Warrants or any Convertible Instruments:

As on 31st March' 2022, the Company did not have any Outstanding GDR / ADR / Warrants or any Convertible Instruments.

c. Registered Office: 4-4-211/212/3, 1st Floor, Inderbagh, Sultan Bazaar, Hyderabad – 500095d. Name and Designation of Compliance Officer:

Ms. Annie Jodhani, Company Secretary, is designated as the Compliance Officer of the Company.

Address for Correspondence: 4-4-211/212/3, 1st Floor, Inderbagh, Sultan Bazaar, Hyderabad – 500095

e. No Credit Rating was obtained by the Company during the year under review.

f. Other Disclosures:

1. All Contracts / Arrangements / Transactions entered by the Company during the Financial Year with Related Parties were in the ordinary course of business and on an Arm's Length Basis. The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website www.pharmaids.com
2. There were no materially significant Related Party Transactions that may have potential conflict with the interests of the Company, at large.
3. There were no cases of non – compliance by the Listed Entity, no penalties and strictures were imposed on the Listed Entity by the Stock Exchange(s) or the Board or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
4. The Whistle Blower (Vigil) Mechanism provides a channel to the Employees to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy and also provides for adequate safeguards against victimization of Employees by giving them direct access to the Chairman of the Audit Committee in exceptional



cases. No person has been denied access to the Chairman of the Audit Committee.

5. The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company Rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by Whistle Blowers concerning its Employees. The Whistle Blower Policy of the Company is also posted on the website of the Company <http://www.pharmaids.com>
 - (a) The Company does not have any Subsidiary. No preferential allotment previously and thus disclosure regarding utilization of funds is not applicable.
 - (b) The Executive Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) and 33(2) (a) of SEBI Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended 31st March, 2022.
 - (c) The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the Discretionary Requirements as specified by Regulation 27(1) of SEBI Listing Regulations which are as under:
 - (d) Reporting of the Internal Auditor: The Internal Auditor of the Company reports directly to the Audit Committee.
 - (e) Equity Shares in the Suspense Account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of Equity Shares in the Suspense Account are as follows:

S No	Particulars	Number of Shareholders	Number of Equity Shares
1	Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account as on 1 st April' 2021	4	80,620
2	Shareholders who approached the Company for Transfer of Shares from Suspense Account during the Year	-	-
3	Shareholders whose Shares are transferred to the Demat Account of the IEPF Authority as per Section 124 of the Act	-	-
4	Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account as on 31 st March' 2022	4	80,620

6. Company's Practices and Procedures meet the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
7. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The Company has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under and has constituted Internal Complaints Committee (ICC) under the said Act. No complaint has been received by the ICC, during the Year as under:

Number of Complaints filed during the Financial Year	Nil
Number of Complaints disposed of during the Financial Year	Nil
Number of Complaints pending as on end of the Financial Year	Nil



8. There is no Commodity Price Risk or Hedging Activities involved or applicable.
9. During the Year under review, your Company has not raised any Fund through Preferential Allotment or Qualified Institutions Placement.
10. The Company also complies with the following Non – mandatory requirements Regulation 27 of the SEBI Listing Regulations, 2015.
 - a. There are no Audit qualifications during the year under review.
 - b. The Internal Auditors report to the Audit Committee every Quarter.

Date: 22nd July' 2022

By Order of the Board of Directors

Place: Hyderabad

Sd/-

Sadhanala Venkata Rao
Director
(DIN: 02906370)

Sd/-

Venu Madhava Kaparthy
Additional Director
(DIN: 00021699)



Declaration by Director of Affirmation by Directors and Senior Management Personnel of Compliance with the Code of Conduct:

To
The Shareholders
Pharmaids Pharmaceuticals Limited

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Sadhanala Venkata Rao, 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.

Date: 22nd July' 2022
Place: Hyderabad

By Order of the Board of Directors

Sd/-
Sadhanala Venkata Rao
Director
(DIN: 02906370)



CEO / CFO CERTIFICATION
CERTIFICATE PURSUANT TO REGULATION 17(8) AND 33(2) OF THE
LISTING REGULATIONS

We, Mr. Sadhanala Venkata Rao, Director and Mr. Chilam Srikanth, Chief Financial Officer hereby certify for the Financial Year ended 31st March' 2022 that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- The Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - The Statements together, present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining the Internal Controls for Financial Reporting and have evaluated the effectiveness of Internal Control Systems pertaining to the Financial Reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
- That there are no significant changes in Internal Control over Financial Reporting during the year;
 - That there are no significant changes in Accounting Policies during the year; and
 - That there are no instances of significant fraud of which we have become aware.

Date: 22.07.2022
Place: Hyderabad

For Pharmaid Pharmaceuticals Limited

Sd/-
Sadhanala Venkata Rao
Director
(DIN: 02906370)

Sd/-
Chilam Srikanth
Chief Financial Officer



CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Under Regulation 34(3) Read With Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
Pharmaids Pharmaceuticals Limited

1. We have examined the compliances of the conditions of Corporate Governance by **Pharmaids Pharmaceuticals Limited** (“the Company”) for the Financial Year ended 31st March’ 2022 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule – V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Kashinath Sahu & Co
Company Secretaries**

**Date 13.06.2022
Place: Hyderabad**

**Sd/-
Kashinath Sahu
Practicing Company Secretary
FCS: 4790 CP: 4807
UDIN: F004790D000485952
Peer Review No. 569 / 2018**

**CERTIFICATE OF NON – DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
Pharmads Pharmaceuticals Limited

I have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of Pharmads Pharmaceuticals Limited (CIN: L52520TG1989PLC009679) and having the Registered Office located at # 4-4-211/212/3, Inderbagh, Sultan Bazaar, Hyderabad – 500095 (hereinafter referred to as ‘the Company’) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of information and according to the verifications (including Directors Identification Number (DIN) Status at the portal: www.mca.gov.in) as considered necessary and explanations furnished by the Company, I hereby certify that None of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March’ 2022 have been debarred or disqualified from being appointed or continuing as the Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S No	Name of the Director	Designation	DIN
1	Padmaja Kalyani Sadhanala*	Executive Director	03096445
2	Viswa Prasad Sadhanala	Executive Director	08068933
3	Venu Madhava Kaparthy	Executive Director	00021699
4	Vyasmurti Madhavrao	Independent Director	07728757
5	Shingatgeri Veerareddy Vallapureddy	Independent Director	08061781
6	Mopperthy Sudheer	Independent Director	00404917
7	Sadhanala Venkata Rao	Non-Executive Non-Independent Director	02906370

*Resigned w.e.f 21.05.2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Kashinath Sahu & Co
Company Secretaries**

**Date: 13.06.2022
Place: Hyderabad**

**Sd/-
Kashinath Sahu
Practicing Company Secretary
FCS: 4790 CP: 4807
UDIN: F004790D000485985
Peer Review No. 569 / 2018**



Independent Auditor's Report

To
The Members of
Pharmmaids Pharmaceuticals Limited Hyderabad

Report on the Audit of the Financial Statements Opinion

We have audited the Financial Statements of PHARMAIDS PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information [hereinafter referred to as "the Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2022, and its Profit, Changes in Equity and its Cash Flows for the Year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Director's Report but does not include the Financial Statements and Our Auditor's Report thereon.

Our Opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with the Audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements, or our knowledge obtained in the Audit or otherwise appears to be materially misstated.

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

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 Financial Statements that give a true and fair view of the Financial Position, Financial Performance, Changes in Equity and Cash Flows of the Company in accordance with the Accounting Principles Generally Accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding of the Assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting



Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting Records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern Basis of Accounting unless the Board of Directors either intend to liquidate the Company or to cease the operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's Financial Reporting Process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in:



- (i) Planning the Scope of our audit work and in evaluating the results of our work; and
- (ii) To evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the Audit and significant Audit findings, including any significant deficiencies in Internal Control that we identify during our Audit.

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

From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the Audit of the Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our Report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure – A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
 - b) In our opinion, proper Books of Accounts as required by law have been kept by the Company, so far, as it appears from our examination of those Books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Accounts.
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the Written Representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors, None of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure – B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its Financial Position
 - (ii) The Company did not have any long term contracts including Derivative Contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, other than



as disclosed in the Notes to the Accounts, No Funds have been advanced or loaned or invested (either from Borrowed Funds or Share Premium or any other sources or kind of funds) by the Company to or in any other Person(s) or Entity(ies), including Foreign Entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (b) the management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such Audit Procedures that the Auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- (v) The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- (vi) The Company has used such Accounting Software for maintaining its Books of Accounts which has a feature of recording Audit Trail (edit log) Facility and the same has been operated throughout the year for all transactions recorded in the Software and the Audit Trail feature has not been tampered with and the Audit Trail has been preserved by the Company as per the statutory requirements for record retention.

For PPKG & Co

Chartered Accountants

Firm’s Registration No. 009655S

Sd/-

Girdhari Lal Toshniwal Partner

Membership No. 205140

UDIN: 22205140AJIWTD1057

Date: 21st May’ 2022

Place: Hyderabad



Annexure – A to the Independent Auditor’s Report of even date to the Members of M/s Pharmajeeva Pharmaceuticals Limited, on the Financial Statements for the Year ended March 31, 2022

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The Company has a regular program of physical verification of its Fixed Assets under which Fixed Assets are verified in a phased manner over a period
- (c) The Title Deeds of all the Immovable Properties (which are included under the head (‘Property, Plant and Equipment’) are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment’s during the year.
- (e) As per the information given to us there are no proceedings initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and Rules made there under.
- (ii) (a) In our opinion, the Management has conducted physical verification of Inventory at reasonable intervals during the year, no material discrepancies were noticed on the aforesaid verification.
- (b) The Company has not availed any Financial Assistance from any Bank or Financial Institutions.
- (iii) The Company has not granted any Loans, secured or unsecured, to any Companies, Firms, Limited Liability Partnerships or other parties.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of the Investments and Loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of Guarantees and Security.
- (v) In our opinion, the Company has not accepted any Deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The provisions of Section 148 are not applicable to the Company.
- (vii) (a) Undisputed Statutory Dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other Material Statutory Dues, as applicable, have generally been regularly deposited with the appropriate authorities.
- (b) There is no Dues outstanding in respect of Income Tax, Sales Tax, Service Tax, Duty of Customs on account of disputes:
- (viii) All the transactions recorded in the books of account have been disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of Loans or Borrowings to any Bank during the Year under review. The Company has No Loans or Borrowings payable to Financial Institutions or Government and does not have any Outstanding Debentures during the year.



- (b) The Company is not declared Wilful Defaulter by any Bank or Financial Institution or other Lender.
- (c) The Company has not raised any Term Loan from any Bank or Financial Institution.
- (d) To the extent of our check, no funds raised by the Company for short-term has been utilized for long term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its Subsidiaries, Associates or Joint Ventures.
- (f) The Company has not raised loans during the Year on the Pledge of Securities held in its Subsidiaries, Joint Ventures or Associate Companies.
- (x) (a) The Company has not raised any moneys by way of Initial Public Offer or Further Public Offer during the year under review.
- (b) The Company has not made any Preferential Allotment or Private Placement of Shares or Convertible Debentures during the year under review.
- (xi) (a) In our opinion, no fraud by the Company or any fraud on the Company has been noticed or reported during the year under review.
- (b) No Report under sub-section (12) of section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No Whistle Blowers Complaints were received during the year under review.
- (xii) In our opinion, the Company is not a Nidhi Company, and accordingly, provisions of Clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the Related Parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the Standalone Financial Statements etc., as required by the applicable Ind AS.
- (xiv)
 - a) The Company has implemented an Internal Audit System commensurate with the size and nature of its Business.
 - b) The Reports of the Internal Auditors for the period under Audit were considered by the Statutory Auditor.
- (xv) In our opinion, the Company has not entered in any non-cash transactions with the Directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) The Company has not incurred cash losses in the Financial Year and in the immediately preceding Financial Year.
- (xviii) The Statutory Auditors of the Company has not resigned during the year.
- (xix) On the basis of the Financial Ratios, ageing and expected dates of realisation of Financial Assets and payment of Financial Liabilities, other information accompanying the Financial Statements, the Auditor's knowledge of the Board of Directors and the Management's plans, the Auditor is of the opinion that no material uncertainty exists as on the date of the Audit Report and that the Company is capable of meeting its Liabilities existing at the Date of Balance Sheet, as and when they fall due within a period of one year from the Balance Sheet Date.



(xx) The Company is not liable to contribute under Section 135 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(xx) of the order are not applicable.

(xxi) There has been no qualifications and adverse remarks by the respective Auditors in the Companies (Auditor's Report) Order (CARO) Reports of the Companies to be included in the Consolidated Financial Statements.

For **PPKG & Co**

Chartered Accountants

Firm's Registration No. 009655S

Sd/-

Girdhari Lal Toshniwal Partner

Membership No. 205140

UDIN: 22205140AJIWTD1057

Date: 21st May' 2022

Place: Hyderabad



Annexure – B to the Independent Auditor’s Report of even date to the Members of M/s Pharmaids Pharmaceuticals Limited, on the Financial Statements for the Year ended March 31, 2022

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

Opinion

1. In conjunction with our Audit of the Financial Statements of M/s Pharmaids Pharmaceuticals Limited (‘the Company’) as at and for the Year ended March 31, 2022, we have audited the Internal Financial Controls Over Financial Reporting (‘IFCoFR’) of the Company as at that date.
2. In our opinion, the Company has, in all material respects, adequate Internal Financial Controls over Financial Reporting and such controls were operating effectively as at March 31, 2022, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of Internal Control as stated in the Guidance Note issued by the ICAI.

Management’s Responsibility for Internal Financial Controls

3. The Company’s Board of Directors is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control Over Financial Reporting criteria established by the Company considering the essential components of Internal Control, as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the Design, Implementation and Maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of the Company’s Business, including adherence to the Company’s Policies, the Safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting Records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

4. Our responsibility is to express an opinion on the Company’s IFCoFR based on our Audit. We conducted our Audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an Audit of the IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
5. Our Audit involves performing procedures to obtain Audit Evidence about the adequacy of the IFCoFR and their operating effectiveness. Our Audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the Internal Controls based on the assessed risk. The procedures selected depend on the Auditor’s judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
6. We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Company’s IFCoFR.

Meaning of Internal Financial Controls Over Financial Reporting

7. A Company’s IFCoFR is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with the Generally Accepted Accounting Principles. A Company’s IFCoFR include those policies and procedures that



- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company;
- (ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with the Generally Accepted Accounting Principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

8. Because of the Inherent Limitations of the IFCoFR, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the Policies or Procedures may deteriorate.

For **PPKG & Co**

Chartered Accountants

Firm's Registration No. 009655S

Sd/-

Girdhari Lal Toshniwal Partner

Membership No. 205140

UDIN: 22205140AJIWTD1057

Date: 21st May' 2022

Place: Hyderabad



BALANCE SHEET AS AT 31ST MARCH'2022

(Amount in Rupees)

ASSETS	Note No.	As at 31 st March' 2022	As at 31 st March' 2021
Non – Current Assets			
Property, Plant and Equipment	1	3,05,935	3,97,932
Capital Work in Progress		45,00,000	45,00,000
Financial Assets			
- Non – Current Assets		-	-
- Trade and other Receivables	6	1,41,62,012	75,84,737
- Long Term Loans and Advances	2	6,19,23,275	6,65,88,275
- Others			
Deferred Tax Assets (Net)	3	35,55,182	35,06,419
Other Non – Current Assets	4	-	-
Current Assets			
Inventories	5	88,76,329	36,91,155
Financial Assets			
- Trade and other Receivables	7	1,33,86,771	27,72,445
- Cash and Cash Equivalents	8	40,74,461	20,02,818
- Short Term Loans and Advances	9	-	-
Other Current Assets	10	3,38,577	1,06,256
TOTAL ASSETS		11,11,22,541	9,11,50,037
EQUITY AND LIABILITIES			
Equity			
Share Capital	11	10,26,88,190	10,26,88,190
Other Equity			
- Equity Component of Other Financial Instrument			
- Retained Earnings	12	(1,59,72,407)	(1,74,23,838)
Share Application Money Pending Allotment			
Non – Current liabilities			
Financial Liabilities			
- Long Term Borrowings		-	-
Long Term Provisions		-	-
Deferred Tax Liabilities (Net)		-	-
Other Non – Current Liabilities		-	-
Current Liabilities			
Financial Liabilities			
- Short Term Borrowings		-	-
- Trade and other Payables	13	2,30,57,531	50,16,886
Other Current Liabilities	14	13,49,227	8,68,800
Short Term Provisions		-	-
TOTAL EQUITY AND LIABILITIES		11,11,22,541	9,11,50,037

See accompanying Notes to the Financial Statements – 1 to 32
As per our Report of even date attached

For PPKG & CO

Chartered Accountants

Firm Registration Number: 009655S

Sd/-

Girdhari Lal Toshniwal

Partner

MM No. 205140

UDIN: 22205140AJIWD1057

Place: Hyderabad

Date: 21/05/2022

For. Pharmaids Pharmaceuticals Limited

Sd/-

Sadhanala Viswa Prasad

Whole Time Director

DIN : 08068933

Sd/-

Annie Jodhani

Company Secretary

Sd/-

Venu Madhava Kaparthy

Director

(DIN : 00021699)

Sd/-

Chikam Srikanth

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH' 2022

(Amount in Rupees)

Particulars	Note No.	For the Year ended 31 st March' 2022	For the Year ended 31 st March' 2021
Revenue from Operations	15	3,93,92,618	8,55,10,029
Other Income	16	1,51,091	2,63,400
Total Revenue		3,95,43,709	8,57,73,429
EXPENSES			
Cost of Materials Consumed		-	-
Purchase of Stock-in-Trade	17	4,08,99,842	8,52,81,525
Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	18	(51,85,174)	(36,91,155)
Employee Benefit Expenses	19	4,44,000	4,43,000
Finance Cost	20	27,358	-
Depreciation and Amortization Expenses	1	91,996	4,48,260
Other Expenses	21	18,63,018	24,07,451
Total Expenses		3,81,41,040	8,48,89,081
Profit / (Loss) Before Exceptional Items and Tax		14,02,669	8,84,348
Exceptional Items			
Profit / (Loss) before Tax		14,02,669	8,84,348
Tax Expenses	22	(48,762)	(48,763)
Current Tax		-	-
Deferred Tax		(48,762)	(48,763)
Profit / (Loss) for the period from Continuing Operations		14,51,431	9,33,111
Profit / (Loss) from Discontinued Operations		-	-
Tax Expense of Discontinued Operations		-	-
Profit / (Loss) from Discounting Operations (After Tax)		-	-
Profit / (Loss) for the period		14,51,431	9,33,111
Other Comprehensive Income			
Total Comprehensive Income for the Period		14,51,431	9,33,111
<i>(Profit / Loss + Other Comprehensive Income)</i>			
Earnings Per Equity Share (for Continuing Operations)			
a) Basic		0.14	0.09
b) Diluted		0.14	0.09
Earnings Per Equity Share (Discontinued Operations)			
a) Basic			
b) Diluted			
Earnings Per Equity Share (for Discontinued & Continuing Operations)			
a) Basic		0.14	0.09
b) Diluted		0.14	0.09

See accompanying Notes to the Financial Statements – 1 to 32
As per our Report of even date attached

For PPKG & CO

Chartered Accountants

Firm Registration Number: 009655S

Sd/-

Girdhari Lal Toshniwal

Partner

MM No. 205140

UDIN: 22205140AJIWT1057

Place: Hyderabad

Date: 21/05/2022

For. Pharmaids Pharmaceuticals Limited**Sd/-**

Sadhanala Viswa Prasad

Whole Time Director

DIN : 08068933

Sd/-

Venu Madhava Kaparthy

Director

(DIN : 00021699)

Sd/-

Annie Jodhani

Company Secretary

Sd/-

Chikam Srikanth

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2022**

(Amount in Rupees)

	For the Year ended on 31 st March 2022	For the Year ended on 31 st March 2021
A Cash Flow from Operating Activities :		
Net Profit after Interest & Depreciation but before Tax	14,02,669	8,84,348
Depreciation	91,996	4,48,260
Interest Paid	-	-
Interest Received	-	-
Profit on Sale of Fixed Assets	-	-
Loss on Sale of Fixed Assets	-	-
Profit on Sale of Assets / Investments	-	-
Bad Debts Written Off	-	-
Deferred Tax	-	-
Discount	-	-
Operating Profit before Working Capital Changes	14,94,664	13,32,608
Adjustments for :		
Trade and Other Payables	1,80,40,646	49,10,193
Inventories	(51,85,174)	(36,91,155)
Trade Receivables	(1,71,91,600)	(27,72,445)
Loan and advances	-	36,55,000
Other Assets	(2,32,320)	(1,06,256)
Other Current Liabilities	4,80,427	7,25,108
Cash Generated from Operations	(25,93,357)	40,53,053
Add: Income Tax Paid / (Refund)	-	-
Miscellaneous Expenditure	-	-
Net Cash flow from Operating Activities (before & after extraordinary items) " A "	(25,93,357)	40,53,053
B Net Cash from Investing activities :		
Purchase of property, plant & equipments, intangible assets and Capital Advance	-	(15,000)
Capital Work in Progress	-	-
Increase in Creditors for Capital Goods	-	-
(Purchase) / Sale of investments	-	-
Interest received	-	-
Investment in Vardhaman Bank (Dividend Income)	-	-
Sale of Fixed Assets	-	-
Sale of Investments	-	-
Long Term Loans and Advances Given / (Repaid)	46,65,000	(22,53,000)
Net cash flow from Investing activities " B "	46,65,000	(22,68,000)
C Cash Flow from Financing activities		
Issue of Share Capital	-	-
Dividend Paid	-	-
Bank borrowings & Unsecured Loan	-	-
Dividend and Dividend Distribution Tax Paid	-	-
Interest and other finance costs (including borrowing cost capitalised)	-	-
Net Cash flow from Financing activities " C "	-	-
D Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	20,71,643	17,85,053
Cash and Cash Equivalents at the beginning	20,02,818	2,17,765
Cash and Cash Equivalents at the end	40,74,461	20,02,818

See accompanying Notes to the Financial Statements – 1 to 32
As per our Report of even date attached

For PPKG & CO

Chartered Accountants

Firm Registration Number: 009655S

Sd/-

Girdhari Lal Toshniwal

Partner

MM No. 205140

UDIN: 22205140AJIWT1057

Place: Hyderabad

Date: 21/05/2022

For. Pharmaids Pharmaceuticals Limited**Sd/-**

Sadhanala Viswa Prasad

Whole Time Director

DIN : 08068933

Sd/-Annie Jodhani
Company Secretary**Sd/-**

Venu Madhava Kaparthy

Director

(DIN : 00021699)

Sd/-Chikam Srikanth
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH' 2022For the Year ended 31st March' 2021

(Amount in INR Lakhs)

Particulars	Reserves and Surplus					Total Equity
	Share Capital	Capital Redemption Reserve	Retained Earnings	Capital Reserve	Capital Subsidy	
Balance as at 1 st April' 2020	1,026.88	-	(257.16)	63.65	9.94	843.31
Total Comprehensive Income for the year ended 31 st March' 2021	-	-	9.33	-	-	9.33
Other Comprehensive Income (Net of Tax)	1,026.88	-	(247.83)	63.65	9.94	852.65
Transactions recorded directly in Equity Contributions and distributions: Nil	-	-	-	-	-	-
Balance as at 31 st March' 2021	1,026.88	-	(247.83)	63.65	9.94	852.65

For the Year ended 31st March' 2022

Particulars	Reserves and Surplus					Total Equity
	Share Capital	Capital Redemption Reserve	Retained Earnings	Capital Reserve	Capital Subsidy	
Balance as at 1 st April' 2021	1,026.88	-	(247.83)	63.65	9.94	852.65
Total Comprehensive Income for the year ended 31 st March' 2022	-	-	14.51	-	-	14.51
Other Comprehensive Income (Net of Tax)	1,026.88	-	(233.32)	63.65	9.94	867.16
Transactions recorded directly in equity Contributions and distributions: Nil	-	-	-	-	-	-
Balance as at 31 st March' 2022	1,026.88	-	(233.32)	63.65	9.94	867.16

See accompanying Notes to the Financial Statements – 1 to 32

See accompanying Notes to the Financial Statements – 1 to 32
As per our Report of even date attached

For PPKG & CO

Chartered Accountants

Firm Registration Number: 009655S

Sd/-

Girdhari Lal Toshniwal

Partner

MM No. 205140

UDIN: 22205140AJIWT1057

Place: Hyderabad

Date: 21/05/2022

For. Pharmaids Pharmaceuticals Limited

Sd/-

Sadhanala Viswa Prasad

Whole Time Director

DIN : 08068933

Sd/-

Annie Jodhani

Company Secretary

Sd/-

Venu Madhava Kaparthy

Director

(DIN : 00021699)

Sd/-

Chikam Srikanth

Chief Financial Officer



Notes to Financial Statements

Summary of the Significant Accounting Policies and other Explanatory Information for the Financial Year ended 31st March' 2022

1. Pharmajays Pharmaceuticals Limited ("the Company") is a Public Limited Company domiciled and Incorporated in India in accordance with the provisions of the Companies Act, 1956. The Registered Office of the Company is located at # 4-4-211/212/3, Inderbagh, Sultan Bazaar, Hyderabad – 500095. The Equity Shares of the Company are listed on the Bombay Stock Exchange (BSE). The Company is engaged in the business of trading and manufacturing of Generics, Bulk Drugs and Intermediaries, etc. These Financial Statements for the year ended 31st March' 2022 were authorized and approved for issue by the Board of Directors on 21st May' 2022.

2. **Significant Accounting Policies**

This Note provides a list of the Significant Accounting Policies adopted in the preparation of the Financial Statements. These Policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation:

- (i) **Compliance with 'Ind AS'**

The Financial Statements comply in all material respects with the Indian Accounting Standards ('IND AS') as notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

- (ii) **Historical Cost Convention**

The Financial Statements have been prepared on Going Concern Basis under the Historical Cost basis except for the following:

- Certain Financial Assets and Liabilities which are measured at Fair Value.
- Defined Benefit Plans – Plan Assets measured at Fair Value; and
- Contingent Consideration

- (iii) **Current versus Non – Current Classification**

The Company presents the Assets and Liabilities in the Balance Sheet based on Current / Non – Current Classification.

An Asset is classified as Current when it is:

1. It is expected to be realized or intended to be sold or consumed in the normal operating cycle
2. It is held primarily for the purpose of trading
3. It is expected to be realized within twelve months after the Reporting Period, or
4. Cash or Cash Equivalent unless restricted from being exchanged or used to settle a Liability for at least twelve months after the Reporting Period.

All the other Assets are classified as Non – Current. A Liability classified as Current when:

1. It is expected to be settled in the normal operating cycle
2. It is held primarily for the purpose of trading
3. It is due to be settled within twelve months after the Reporting Period, or
4. There is no Unconditional Right to defer the settlement of the Liability for at least twelve months after the Reporting Period.



All the other Liabilities are classified as Non – Current.

Deferred Tax Assets and Liabilities are classified as Non – Current.

2.1 Properties, Plant and Equipment (PPE) Recognition and Initial Measurements

Property, Plant and Equipment (PPE) are stated at their cost of acquisition. The Cost comprises Purchase Price, Borrowing Cost if capitalization criteria are met and Directly Attributable Cost of bringing the Asset to its working condition for the Intended Use. Any Trade Discount and Rebates are deducted in arriving at the Purchase Price.

Subsequent Costs are included in the Asset's Carrying Amount or recognized as a separate Asset, as appropriate, only when it is probable that Future Economic Benefits associated with the item will flow to the Company. All other Repair and Maintenance Costs are recognized in the Statement of Profit and Loss as and when incurred.

(i) Depreciation Method, Estimated Useful Lives and Residual Values

The Classification of Plant and Equipment into continuous and non – continuous process is done as per the Technical Certification and Depreciation thereon is provided accordingly.

Depreciation on Property, Plant and Equipment is provided on the Straight Line Method (SLM), computed on the basis of Useful Lives as estimated by the Management which coincides with the rates prescribed in the Schedule – II to the Companies Act, 2013.

The Residual Values, Useful Lives and Method of Depreciation are reviewed at each Financial Year end and adjusted prospectively, if appropriate.

(ii) De-recognition

An item of Property, Plant and Equipment and any significant part initially recognized is De-recognized upon Disposal or when No Future Economic Benefits are expected from its Use or Disposal. Any Gain or Loss arising on De-recognition of the Asset (Calculated as the difference between the Net Disposal Proceeds and the Carrying Amount of the Asset) is included in the 'Other Income / Other Expenses' when the Asset is De-recognized.

2.2 Impairment of Non – Financial Assets

Assets are tested for Impairment whenever events or changes in circumstances indicate that the Carrying Amount may not be recoverable. An Impairment Loss is recognized for the amount by which the Asset's Carrying Amount exceeds its Recoverable Amount. The Recoverable Amount is the Higher of an Asset's Fair Value Less Costs of Disposal and Value in Use.

For the purposes of assessing the Impairment, Assets are grouped at the Lowest Levels for which there are separately identifiable Cash Inflows which are largely independent of the Cash Inflows from Other Assets or Group of Assets (Cash Generating Units). The Company's Corporate Assets (Central Office Building for providing support to various CGUs) do not generate Independent Cashflows. To determine the Impairment of Corporate Assets, Recoverable Amount is determined for the CGUs to which the Corporate Assets belongs.

2.3 Inventories

- Stores and Spares are Valued at Cost or at Net Realizable Value, whichever is Lower. Cost is arrived at Weighted Average Basis.
- Raw Material, Semi – Finished Goods, Finished Goods are valued at Cost or Market Value whichever is lower. Cost is arrived at FIFO method.



- Obsolescence and Damaged Materials are valued at Realizable Value.

2.4 Operating Leases

As a Lessee

Leases of Property, Plant and Equipment where the Company, as a Lessee, has Substantial Risks and Rewards of Ownership are classified as Finance Leases. Finance Leases are capitalized at the Lease's inception at the Face Value of the Leased Asset or, if lower, the Present Value of the Minimum Lease Payments. The Corresponding Lease Rental Obligations, Net of Finance Charges, are included in the Borrowings or other Financial Liabilities as appropriate. Each Lease Payment is allocated between the Liability and Finance Cost. The Finance Cost is charged to the Profit or Loss over the Lease Period so as to produce a constant periodic rate of interest on the remaining balance of the Liability of each period.

Leases in which a significant portion of the Risks and Rewards of Ownership are not transferred to the Company as Lessee are clarified as Operating Leases. Payments made under Operating Leases are charged to Profit or Loss on a Straight Line Basis over the period of the Lease unless the payments are structured to increase in line with the expected general inflation to compensate for the Lessor's expected Inflationary Cost increases.

As a Lessor

Lease Income from Operating Leases where the Company is a Lessor is recognized as Income on a Straight Line Basis over the Lease Term unless the Receipts are structured to increase in line with the expected general inflation to compensate for the expected Inflationary Costs increases. The Respective Leased Assets are included in the Balance Sheet based on their nature.

Investment and Other Financial Assets

Classification

The Company classifies its Financial Assets in the following measurement categories:

- Those to be measured subsequently at Fair Value (either through Other Comprehensive Income or through Profit or Loss), and
- Those to be measured at Amortised Cost.

The Classification depends on the Company's Business Model for managing the Financial Assets and the Contractual Terms of the Cash Flows.

For Assets measured at Fair Value, Gains and Losses will either be recorded in the Profit or Loss or Other Comprehensive Income. For Investments in Debt Instruments, this will depend on the business model in which the Investment is held. For Investments in the Equity Instruments, this will depend on whether the Company has made an irrevocable election at the time of Initial Recognition to account for the Equity Investment at Fair Value through Other Comprehensive Income.

The Company reclassifies the Debt Investments when and only when its business model for managing those Assets changes.

Measurement

At Initial Recognition, the Company measures a Financial Asset at its Fair Value Plus, in the case of a Financial Asset not at Fair Value through Profit or Loss, Transaction Costs that are Directly Attributable to the Acquisition of the Financial Asset. Transaction Costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.



Debt Instruments

Subsequent measurement of Debt Instruments depends on the Company's Business Model for managing the Asset and the Cash Flow Characteristics of the Asset. There are three measurement categories into which the Company classifies its Debt Instruments:

- Amortised Cost: Assets that are held for collection of Contractual Cash Flows where those Cash Flows represent Solely Payments of Principal and Interest are measured at Amortised Cost. A Gain or Loss on a Debt Instrument that is subsequently measured at Amortised Cost is recognised in Profit or Loss when the asset is De-recognised or Impaired.
- Fair Value Through Other Comprehensive Income (FVOCI): Assets that are held for collection of Contractual Cash Flows and for Selling the Financial Assets, where the Assets' Cash Flows represent Solely Payments of Principal and Interest, are measured at Fair Value Through Other Comprehensive Income (FVOCI). Movements in the Carrying Amount are taken through OCI, except for the Recognition of Impairment Gains or Losses, Interest Income and Foreign Exchange Gains and Losses which are recognised in the Profit or Loss. When the Financial Asset is De-recognised, the Cumulative Gain or Loss previously recognised in OCI is reclassified from Equity to Profit or Loss and recognised in 'Other Income'.
- Fair Value Through Profit or Loss: Assets that do not meet the criteria for Amortised Cost or FVOCI are measured at Fair Value through Profit or Loss. A Gain or Loss on a Debt Instrument that is subsequently measured at Fair Value through Profit or Loss is recognised in Profit or Loss and presented Net in the Statement of Profit and Loss within 'Other Income' in the period in which it arises.

Equity Instruments

The Company subsequently measures all Equity Investments at Fair Value. Where the Company's Management has elected to present Fair Value Gains and Losses on Equity Investments in Other Comprehensive Income, there is no subsequent reclassification of Fair Value Gains and Losses to Profit or Loss. Changes in the Fair Value of Financial Assets at Fair Value through Profit or Loss are recognized in 'Other Income' in the Statement of Profit and Loss.

Impairment of Financial Assets

The Company assesses on a forward looking basis, the expected credit losses associated with its Assets carried at Amortised Cost and FVOCI Debt Instruments. The Impairment methodology applied depends on whether there has been a significant increase in Credit Risk.

For Trade Receivables only, the Company applies the simplified approach permitted by 'Ind AS 109 – Financial Instruments', which requires expected lifetime losses to be recognised from Initial Recognition of the Receivables.

De-recognition of Financial Assets

A Financial Asset is De-recognized only when:

- The Company has transferred the Rights to receive Cash Flows from the Financial Asset; or
- Retains the Contractual Rights to receive the Cash Flows of the Financial Asset but assumes a Contractual Obligation to pay the Cash Flows to one or more recipients.
- Where the Entity has transferred an Asset, the Company evaluates whether it has transferred substantially all the Risks and Rewards of Ownership of the Financial Asset. In such cases, the Financial Asset is De-recognised. Where the Entity has not transferred substantially all the Risks and Rewards of Ownership of the Financial Asset, the Financial Asset is not De-recognised.
- Where the Entity has neither transferred a Financial Asset nor retains substantially all the Risks and Rewards of Ownership of the Financial Asset, the Financial Asset is De-recognised if the Company has



not retained control of the Financial Asset. Where the Company retains control of the Financial Asset, the Asset is continued to be recognised to the extent of continuing involvement in the Financial Asset.

Income Recognition Interest Income

Interest Income from Debt Instruments is recognised using the Effective Interest Rate Method. The Effective Interest Rate is the rate that exactly discounts estimated Future Cash Receipts through the expected life of the Financial Asset to the Gross Carrying Amount of a Financial Asset. When calculating the Effective Interest Rate, the Company estimates the expected Cash Flows by considering all the Contractual Terms of the Financial Instrument but does not consider the expected Credit Losses.

Dividends

Dividends are recognized in the Statement of Profit or Loss only when the right to receive payment is established, it is probable that the Economic Benefits associated with the Dividend will flow to the Company, and the amount of the Dividend can be measured reliably.

Fair Value of Financial Instruments

In determining the Fair Value of Financial Instruments, the Company uses a variety of methods and assumptions that are based on the market conditions and risks existing at each Reporting Date. The methods used to determine Fair Value include Discounted Cash Flow Analysis and available Quoted Market Prices. All methods of assessing Fair Value result in general approximation of value, and such value may never actually be realized.

2.5 Derivative Instruments

The Company enters into certain Derivative Contracts to hedge risks which are not designated as Hedges. Derivative Instruments are initially recognised at Fair Value on the Date, a Derivative Contract is entered into and are subsequently re-measured to their Fair Value at the end of each Reporting Period, with the changes included in 'Other Income / Other Expenses.'

2.6 Offsetting Financial Instruments

Financial Assets and Financial Liabilities are offset and the Net Amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a Net Basis, to realize the Assets and settle the Liabilities simultaneously.

2.7 Trade Receivables

Trade Receivables are amounts Due from Customers for Goods Sold or Services Rendered in the Ordinary Course of Business. Trade Receivables are recognised initially at Fair Value and subsequently measured at Amortised Cost using the Effective Interest Method, Less Provision for Impairment.

2.8 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, Cash and Cash Equivalents includes Cash on Hand, Deposits held at Call with Financial Institutions, Other Short Term Highly Liquid Investments with original maturities of three months or less that are readily convertible to known amounts of Cash and which are subject to an insignificant risk of changes in value.

2.9 Trade Payables

These amounts represent Liabilities for Goods and Services provided to the Company prior to the end of Financial Year which are unpaid. The amounts are Unsecured and are usually paid within 90 days of recognition. Trade and Other Payables are presented as Current Liabilities unless payment is not due within 12 months after the Reporting Period. They are recognised initially at their Fair Value and subsequently measured at Amortised Cost using the Effective Interest Method.



2.10 Borrowings

Borrowings are initially recognised at Fair Value, Net of Transaction Costs incurred. Borrowings are subsequently measured at Amortised Cost. Any difference between the proceeds (Net of Transaction Costs) and the Redemption amount is recognised in the Profit or Loss over the period of the Borrowings using the Effective Interest Method. Fees paid on the establishment of Loan Facilities are recognised as Transaction Costs of the Loan to the extent that it is probable that some or all of the facility will be Drawn Down. In this case, the Fees is deferred until the Drawn Down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be Drawn Down, the Fee is Capitalised as a Prepayment for Liquidity Services and Amortised over the period of the facility to which it relates.

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

Borrowings are classified as Current Liabilities unless the Company has an Unconditional Right to Defer Settlement of the Liability for at least 12 months after the Reporting Period.

2.11 Non – Current Assets (or Disposal Groups) held for Sale

Non – Current Assets (or Disposal Groups) are classified as Held for Sale if their Carrying Amount will be recovered principally through a Sale Transaction rather than through Continuing Use and a Sale is considered highly probable. They are measured at the Lower of their Carrying Amount and Fair Value Less Costs to Sell, except for Assets such as Deferred Tax Assets, Assets arising from Employee Benefits, Financial Assets and Contractual Rights under Insurance Contracts, which are specifically exempt from this requirement.

An Impairment Loss is recognised for any Initial or subsequent Write – Down of the Asset (or Disposal Group) to Fair Value Less Costs to Sell. A Gain is recognised for any subsequent increases in Fair Value Less Costs to Sell of an Asset (or Disposal Group), but not in excess of any Cumulative Impairment Loss previously recognised. A Gain or Loss not previously recognised by the Date of the Sale of the Non – Current Asset (or Disposal Group) is recognised at the Date of De-recognition.

Non – Current Assets (including those that are part of a Disposal Group) are not Depreciated or Amortised while they are classified as held for Sale. Interest and Other Expenses attributable to the Liabilities of a Disposal Group classified as held for Sale continue to be recognised.

Non – Current Assets classified as held for Sale and the Assets of a Disposal Group classified as Held for Sale are presented separately from the other Assets in the Balance Sheet. The Liabilities of a Disposal Group classified as held for Sale are presented separately from Other Liabilities in the Balance Sheet.

2.12 Revenue Recognition

Revenue is recognised to the extent that it is probable that the Economic Benefits will flow to the Company and the Revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the Fair Value of the Consideration Received or Receivable, taking into account contractually Defined Terms of Payment and excluding Taxes or Duties collected on behalf of the Government.

GST, Excise Duty is a Liability of the Company as a Manufacturer, which forms part of the Cost of Production, irrespective of whether the Goods are sold or not. Therefore, the recovery of GST, Excise Duty flows to the Company on its own account and hence revenue includes GST, Excise Duty.

The Specific Recognition Criteria described below must also be met before Revenue is recognised.

Sale of Goods

Revenue from the Sale of Goods is recognized when the Significant Risks and Rewards of Ownership of the Goods have passed to the Buyer, usually on delivery of the Goods. Revenue from the Sale of



Goods is measured at the Fair Value of the Consideration Received or Receivable, Net of Returns and Allowances, Trade Discounts and Volume Rebates.

Service Revenue

Service Income is recognized as per the terms of Contracts with the Customers when the related services are performed or the agreed milestones are achieved and Revenue includes Service Tax / GST, wherever applicable.

2.13 Government Grants

Grants from the Government are recognised at their Fair Value where there is a reasonable assurance that the Grant will be received and the Company will comply with all the attached Conditions.

2.14 Borrowing Costs

General and Specific Borrowing Costs that are Directly Attributable to the Acquisition, Construction or Production of a Qualifying Asset are Capitalised during the period of time that is required to complete and prepare the Asset for its Intended Use or Sale. Qualifying Assets are Assets that necessarily take a Substantial Period of Time to get ready for their Intended Use or Sale.

Other Borrowing Costs are expensed in the period in which they are incurred.

2.15 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the Currency of the primary economic environment in which the Company operates ('the Functional Currency'). The Financial Statements are presented in Indian Rupee (Rupees or Rs.) which is the Company's Functional and Presentation Currency.

(ii) Transactions and Balances

Foreign Currency Transactions are translated into the Functional Currency using the Exchange Rates at the Dates of the Transactions. At the year-end, Monetary Assets and Liabilities denominated in Foreign Currencies are restated at the Year-end Exchange Rates. The Exchange Differences arising from settlement of Foreign Currency Transactions and from the Year-end restatement are recognised in the Statement of Profit and Loss.

Foreign Exchange Differences regarded as an adjustment to Borrowing Costs, if any, are presented in the Statement of Profit and Loss, within 'Finance Costs'. Other Foreign Exchange Gains and Losses are presented in the Statement of Profit and Loss on a Net Basis within 'Other Income' / 'Other Expenses'.

Non – Monetary Items that are measured at Fair Value in a Foreign Currency are translated using the Exchange Rates at the Date when the Fair Value was determined. Translation Differences on Assets and Liabilities carried at Fair Value are reported as part of the Fair Value Gain or Loss.

2.16 Employee Benefits

Short Term Employee Benefits

Liabilities for Short Term Employee Benefits that are expected to be settled wholly within 12 months after the end of the Period, in which the Employees render the related service are recognised in respect of Employees' services up to the end of the Reporting Period and are measured at the amounts expected to be paid when the Liabilities are settled.



Post – Employment Benefits: Defined Benefit Plans

The Liability or Asset recognised in the Balance Sheet in respect of Defined Benefit Plans is the Present Value of the Defined Benefit Obligation at the end of the Reporting Period Less the Fair Value of Plan Assets. The Defined Benefit Obligation is calculated annually by Actuaries using the Projected Unit Credit Method.

The Present Value of the Defined Benefit Obligation is determined by discounting the estimated Future Cash Outflows by reference to market yields at the end of the Reporting Period on Government Bonds that have terms approximating to the terms of the related Obligation.

The Net Interest Cost is calculated by applying the Discount Rate to the Net Balance of the Defined Benefit Obligation and the Fair Value of Plan Assets. This Cost is included in ‘Employee Benefits Expense’ in the Statement of Profit and Loss.

Remeasurement Gains and Losses arising from experience adjustments and changes in Actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in Retained Earnings in the ‘Statement of Changes in Equity’.

The Company has Gratuity as Defined Benefit Plan where the amount that an Employee will receive on retirement is defined by reference to the Employee’s length of service and Final Salary. The Liability recognised in the Balance Sheet for Defined Benefit Plans as the present value of the Defined Benefit Obligation (DBO) at the Reporting Date. The Management estimates the DBO annually with the assistance of Independent Actuaries. Actuarial Gains and Losses resulting from re-measurements of the Liability are included in ‘Other Comprehensive Income’.

The Company has subscribed to a Group Gratuity Scheme of Life Insurance Corporation of India (LIC). Under the said Policy, the Eligible Employees are entitled for Gratuity upon their Resignation or Retirement or in the event of Death, in Lumpsum, after deduction of necessary taxes up to a maximum limit of Rs.20.00 Lakhs. Liabilities in respect of the Gratuity Plan are determined by an Actuarial Valuation, based upon which the Company makes contributions to the Gratuity Fund.

Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related Schemes are recognised as expenses for the period in which the Employee has rendered the service.

Other Long Term Employee Benefits

The Liabilities for Earned Leave are not expected to be settled wholly within 12 months after the end of the period, in which the Employees render the related service.

They are therefore measured annually by Actuaries as the Present Value of Expected Future Payments to be made in respect of services provided by the Employees up to the end of the Reporting Period using the Projected Unit Credit Method. The Benefits are Discounted using the market yields at the end of the Reporting Period that have terms approximating to the terms of the related Obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Profit or Loss.

The Obligations are presented under ‘Employee Benefit Obligations’ (Current) in the Balance Sheet if the Entity does not have an Unconditional Right to Defer Settlement for at least twelve months after the Reporting Period, regardless of when the actual settlement is expected to occur.

2.17 Income Taxes

Tax Expense recognized in Statement of Profit and Loss comprises the Sum of Deferred Tax and Current Tax except the ones recognized in ‘Other Comprehensive Income’ or ‘Directly in Equity’.



Calculation of Current Tax is based on Tax Rates and Tax Laws that have been enacted for the Reporting Period. Current Income Tax relating to items recognised outside Profit or Loss is recognised outside Profit or Loss (either in 'Other Comprehensive Income' or in 'Equity'). Current Tax items are recognised in correlation to the underlying transaction either in 'Other Comprehensive Income' or 'Directly in Equity'.

Deferred Tax is provided using the Liability Method on temporary differences between the Tax bases of Assets and Liabilities and their Carrying Amounts for Financial Reporting purposes at the Reporting Date. Deferred Tax Assets are recognized to the extent that it is probable that the Underlying Tax Loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant Non – Taxable Income and expenses and specific limits on the use of any Unused Tax Loss or Credit. The Carrying Amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient Taxable Profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each Reporting Date and are recognised to the extent that it has become probable that Future Taxable Profits will allow the Deferred Tax Asset to be recovered. Deferred Tax Assets and liabilities are measured at the Tax Rates that are expected to apply in the year when the Asset is realized or the Liability is settled, based on Tax Rates and Tax Laws, that have been enacted or substantively enacted at the Reporting Date. Deferred Tax relating to items recognised outside Profit or Loss is recognized outside Profit or Loss (either in 'Other Comprehensive Income' or 'Directly in Equity').

2.18 Provision and Contingencies

Provisions are recognised when the Company has a present Legal or Constructive Obligation as a result of past events, it is probable that an outflow of resources will be required to settle the Obligation and the amount can be reliably estimated. Provisions are not recognised for Future Operating Losses.

Provisions are measured at the Present Value of the Management's best estimate of the expenditure required to settle the Present Obligation at the end of the Reporting Period. The Discount Rate used to determine the Present Value is a Pre – Tax Rate that reflects Current Market Assessments of the Time Value of Money and the risks specific to the Liability. The increase in the Provision due to the passage of time is recognised as Interest Expense.

A Disclosure for Contingent Liabilities is made when there is a possible Obligation arising from past events, the existence of which will be confirmed only by the occurrence or non – occurrence of one or more uncertain future events not wholly within the control of the Company or a Present Obligation that arises from past events, where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.19 Dividends

Provision is made for the amount of any Dividend Declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the Reporting Period but not distributed at the end of the Reporting Period.

2.20 Earnings Per Share

(i) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing:

Profit Attributable to Owners of the Company by the Weighted Average Number of Equity Shares Outstanding during the Financial Year

(ii) Diluted Earnings Per Share



Diluted Earnings Per Share adjusts the figures used in the determination of Basic Earnings Per Share to take into account:

1. The After Income Tax effect of Interest and other Financing Costs associated with Dilutive Potential Equity Shares, and
2. The Weighted Average Number of Additional Equity Shares that would have been Outstanding assuming the conversion of all Dilutive Potential Equity Shares.

2.21 Segment Reporting

The Company is engaged in manufacturing of Generics, Bulk Drugs and Intermediaries, which in the context of Accounting Standard – 17 issued by the Institute of Chartered Accountants of India is considered as a ‘Single Segment’.

2.22 Recent Accounting Procurements Standards Issued (But Not Yet Effective)

The Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing the following new amendments to ‘Ind AS’ for Annual Periods beginning on or after 1st April’ 2019.

‘IND AS – 116: Leases’ eliminates the classification of Lease as either Finance Lease or Operating Lease. All Leases are required to be reported on an Entity’s Balance Sheet as Assets and Liabilities. Leases are Capitalised by recognising the Present Value of the Lease Payments and showing them either as Lease Assets or together with Property, Plant and Equipment. If Lease Payments are made over time, a Financial Liability representing the Future Obligation will be recognised.

‘IND AS – 116’ is effective from 1st April’ 2019. The Company is currently assessing the impact of the New Standard and there are No Material Impact to the Assets and Liabilities recognised in the Financial Statements, as well as in the Statement of Profit and Loss.

2.23 Critical Estimates and Judgements

The preparation of Financial Statements in conformity with the ‘Ind AS’ requires the Management to make Judgements, Estimates and Assumptions, that affect the application of Accounting Policies and the Reported Amounts of Assets, Liabilities, Income, Expenses and Disclosures of Contingent Assets and Liabilities at the date of these Financial Statements and the Reported Amounts of Revenues and Expenses for the years presented. Actual results may differ from these Estimates. Estimates and Underlying Assumptions are reviewed at each Balance Sheet Date. Revisions to Accounting Estimates are recognised in the period in which the Estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of Judgement or Complexity, and of Items which are more likely to be materially adjusted due to Estimates and Assumptions turning out to be different than those originally assessed. Detailed information about each of these Estimates and Judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The Areas involving critical Estimates or Judgements are:

- Employee Benefits (Estimation of Defined Benefit Obligation)

Post – Employment Benefits represents Obligations that will be settled in the future and require assumptions to project Benefit Obligations. Post – Employment Benefit Accounting is intended to reflect the recognition of Future Benefit Costs over the Employee’s approximate Service Period, based on the terms of the Plans and the Investment and funding decisions made. The Accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these Key Assumptions can have a significant impact on the Defined Benefit Obligations.



- Impairment of Trade Receivables

The Risk of uncollectibility of Trade Receivables is primarily estimated based on prior experience with, and the past due status of, Doubtful Debtors, based on factors that include ability to pay, Bankruptcy and Payment history. The Assumptions and Estimates applied for determining the Provision for Impairment are reviewed periodically.

- Estimation of Expected Useful Lives of Property, Plant and Equipment

The Management reviews its estimate of the useful lives of Property, Plant and Equipment at each Reporting Date, based on the expected utility of the Assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Property, Plant and Equipment.

- Contingencies

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The Cases and Claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case / claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Company consults with legal counsel and other experts on matters related to litigations. The Company accrues a Liability when it is determined that an Adverse Outcome is probable and the amount of the Loss can be reasonably estimated. In the event an Adverse Outcome is possible or an Estimate is not determinable, the matter is disclosed.

- Valuation of Deferred Tax Assets

Deferred Income Tax Expense is calculated based on the differences between the Carrying Value of the Assets and Liabilities for Financial Reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of Deferred Tax Assets is dependent on the Management's assessment of future recoverability of the Deferred Benefit. Expected recoverability may result from expected Taxable Income in the future, Planned Transactions or Planned Optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- Fair Value Measurements

When the Fair Values of Financial Assets and Financial Liabilities recorded in the Balance Sheet, cannot be measured based on Quoted Prices in active markets, their Fair Values are measured using Valuation Techniques, including Discounted Cash Flow Model, which involve various Judgements and Assumptions.



S No	Particulars	Gross Block						Rate of Depreciation	Depreciation / Amortization				Net Block as on 31.03.2021	Net Block as on 31.03.2022
		As on 01.04.2021	Addition during the year	Additions through Business acquisition	Capitalised during the year	Sale / Deletion during the year	As on 31.03.2022		Depreciation as on 01.04.2021	Depreciation for the year 2021-2022	Adjustment Depreciation	Total Depreciation as on 31.03.2022		
1	Equipment	4,090,000	-	-	-	-	4,090,000	7.31%	4,043,434	-	-	4,043,434	46,567	46,566
2	Air Conditioners	106,200	-	-	-	-	106,200	9.50%	35,691	10,089	-	45,780	70,509	60,420
3	Computers	370,948	-	-	-	-	370,948	31.67%	302,879	58,740	-	361,618	68,069	9,330
4	Vehicle	250,000	-	-	-	-	250,000	-	250,000	-	-	250,000	-	-
5	Furniture	218,712	-	-	-	-	218,712	9.50%	26,029	20,778	-	46,807	192,683	171,905
6	Plant & Machinery	50,300	-	-	-	-	50,300	4.75%	30,197	2,389	-	32,586	20,104	17,714
	TOTAL	5,086,160	-	-	-	-	5,086,160		4,688,230	91,996	-	4,780,225	305,935	397,932

**Note No. 2: Long Term Loans and Advances**

S.No.	Particulars	As on 31 March, 2022 Rupees	As on 31 March, 2021 Rupees
I	Long - Term Loans and Advances:		
	(a) Security Deposit Secured Unsecured (Security Deposit consist of Sales Tax Deposit, Electricity Deposit, Rent Deposit, Tender Deposit and Deposit with Suppliers)	9,69,544	9,69,544
	(b) Other Long Term Loans and Advances (Advance Recoverable in Cash or Kind) Secured Unsecured	6,09,53,731	6,56,18,731
	Total Long Term Loans and Advances	6,19,23,275	6,65,88,275

Note No. 3: Deferred Tax Asset (Net)

S.No.	Particulars	As on 31 March, 2022 Rupees	As on 31 March, 2021 Rupees
I	Opening Deferred Tax Asset	35,06,419	34,57,657
	Add:		
	Deferred Tax Asset for the Year	48,762	48,763
	Gross Deferred Tax Asset	35,55,182	35,06,419
	Opening Deferred Tax Liability	-	-
	Provision for Gratuity and Compensated Absences and Doubtful Debt	-	-
	Gross Deferred Tax Liability	-	-
	Deferred Tax Asset / (Liability) – Net	35,55,182	35,06,419

Note No. 4: Other Non – Current Assets

S.No.	Particulars	As on 31 March, 2022 Rupees	As on 31 March, 2021 Rupees
I	Other Non – Current Asset		
	Product Development Advances	-	-
	Total Non – Current Assets	-	-



Note No. 5: Inventories

S.No.	Particulars	As on 31 March, 2022 Rupees	As on 31 March, 2021 Rupees
a)	Inventories: Raw Materials Sub Total		
b)	Work in Progress Sub Total	88,76,329	36,91,155
		88,76,329	36,91,155
c)	Finished Goods Sub Total Total Inventories	88,76,329	36,91,155

Note No. 6: Trade and Other Receivables (Non – Current Asset)

S.No.	Particulars	As on 31 March, 2022 Rupees	As on 31 March, 2021 Rupees
I	Trade Receivables Secured, Considered Good Unsecured, Considered Good Less than Six Months More than Six Months Doubtful Other Receivables: Secured, Considered Good Unsecured, Considered Good Doubtful Total Trade Receivable (Gross) Less: Provision for Bad and Doubtful Debts Total Trade Receivables (Net)	 1,41,62,012 1,41,62,012 1,41,62,012	 75,84,737 75,84,737 75,84,737

**Note No. 7: Trade and Other Receivables (Current Asset)**

S.No.	Particulars	As on 31 March, 2022 Rupees	As on 31 March, 2021 Rupees
I	Trade Receivables		
	Secured, Considered Good		
	Unsecured, Considered Good		
	Less than Six Months	1,33,86,771	27,72,445
	More than Six Months		
	Doubtful	-	-
	Other Receivables:		
	Secured, Considered Good		
	Unsecured, Considered Good		
	Doubtful	-	-
	Total Trade Receivable (Gross)	1,33,86,771	27,72,445
	Less: Provision for Bad and Doubtful Debts	-	-
	Total Trade Receivables (Net)	1,33,86,771	27,72,445

Note No. 8: Cash and Cash Equivalents

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Cash and Cash Equivalents :		
Balances with Banks:		
a. On Current Accounts	33,97,073	14,25,430
b. On Deposit Accounts	-	-
Cash on Hand	6,77,388	5,77,388
Total Cash and Cash Equivalents	40,74,461	20,02,818

Note No. 9: Short Term Loans and Advances

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Short - Term Loans and Advances:		
a) Other Loans and Advances	-	-
Unsecured	-	-
Total Short Term Loans and Advances	-	-

Note No. 10: Other Current Assets

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Prepaid Expenses		
Interest Accrued on Deposits	-	-
Inward GST	3,38,577	1,06,256
Total Other Current Assets	3,38,577	1,06,256

**Note No. 11: Share Capital**

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
a. <u>Equity Share Capital</u>		
(a) Authorised 1,10,00,000 Equity Shares of Rs.10/- each	11,00,00,000	11,00,00,000
(b) Issued, Subscribed and Paid-up 1,03,11,234 Equity Shares of Rs.10/- each Fully Paid-up.	10,31,12,340	10,31,12,340
Less: Calls in Arrear	4,24,150	4,24,150
Total Equity Share Capital	10,26,88,190	10,26,88,190
b. Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the Reporting Period:	Number of Shares	Number of Shares
Equity Shares of Rs.10/- Each, Fully Paid-up:		
At the beginning of the year	1,03,11,234	1,03,11,234
Issued during the year	-	-
Allotted to Shareholders of Transferee Company		
At the end of the year	1,03,11,234	1,03,11,234

Details of Shareholders holding more than 5% Shares of the Company: (Refer Note below)

Name of the Shareholder	As on 31 st March' 2022		As on 31 st March' 2021	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Sadhanala Venkata Rao	31,08,531	30.15	53,43,531	51.82
Sadhanala Padmaja Kalyani	1,89,096	1.83	9,57,638	9.29

**Note No. 12: Other Equity**

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Other Equity		
a) Capital Subsidy		
As at the Commencement of the Year	9,93,750	9,93,750
Add: Additions during the Year	-	-
Less: Utilised during the Year	9,93,750	9,93,750
b) Capital Reserve		
As at the Commencement of the Year	63,65,353	63,65,353
Add: Additions during the Year	-	-
(As per Amalgamation in the Nature of Purchase)	-	-
Less: Utilised during the Year	63,65,353	63,65,353
c) Surplus:		
i) Opening Balance	(2,47,82,941)	(2,57,16,052)
Add: Total Comprehensive Income during the Year	14,51,431	9,33,111
Less: Bonus Shares / (Forfeiture of Bonus Shares)	-	-
	(2,33,31,510)	(2,47,82,941)
Total Reserves and Surplus	(1,59,72,407)	(1,74,23,838)

Note No. 13: Trade and Other Payables

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Trade Payables	2,30,57,531	50,16,886
Total Trade Payables	2,30,57,531	50,16,886

**Note No. 14: Other Current Liabilities**

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Current Maturities of Long Term Debts	-	-
Interest Accrued but not due on Borrowings	-	-
Income Received in Advance	-	-
Unpaid Dividend	-	-
Other Payables	13,49,227	8,68,800
Others	-	-
Sales Tax Deferral** (Refer Note)		
Total Other Current Liabilities	13,49,227	8,68,800

Note No. 15: Revenue from Operations

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
Revenue from Operations in respect of Non – Finance Company		
(a) Sale of Products	3,93,92,618	8,55,10,029
Total Revenue from Operations	3,93,92,618	8,55,10,029

Note No. 16: Other Income

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I (a) Interest Income		
(b) Other Non – Operating Income (Net of Expenses Directly Attributed to such Income)	1,51,091	2,63,400
Total Other Income	1,51,091	2,63,400

**Note No. 17: Purchases of Stock in Trade**

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Purchases during the Year	4,08,99,842	8,52,81,525
Total Purchases	4,08,99,842	8,52,81,525

Note No. 18: Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade:

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Finished Goods		
Finished Goods at the beginning of the year	36,91,155	-
Less: Finished Goods at the end of the year	88,76,329	36,91,155
Sub – Total (A)	(51,85,174)	(36,91,155)
Work-in-Progress at the Beginning of the Year	-	-
Less: Work-in-Progress at the End of the Year	-	-
Sub – Total (B)	-	-
Work-in-Progress		
Stock at the Beginning of the Year	-	-
Less : Stock at the End of the Year	-	-
Sub – Total (C)	-	-
(Increase) / Decrease in Inventories (A+B+C)	(51,85,174)	(36,91,155)

Note No. 19: Employee Benefit Expenses

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I (a) Salaries and Wages	4,44,000	4,43,000
(b) Contribution to Provident and Other Funds	-	-
(c) Staff Welfare Expenses	-	-
Total Employee Benefit Expenses	4,44,000	4,43,000

**Note No. 20: Finance Cost**

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
(a) Interest Expenses:		
Interest on Term Loan	-	-
Bank Charges	27,358	-
(b) Net Gain / Loss on Foreign Currency		
Translations & Transactions	-	-
Total Finance Cost	27,358	-

Note No. 21: Other Expenses

Particulars	As on 31 st March' 2022 Rupees	As on 31 st March' 2021 Rupees
I Advertisement Expenses	43,137	50,845
Annual Listing Fees	4,06,200	3,54,000
Audit Fees	50,000	30,000
Bank Charges	-	42
E-Voting Charges	38,147	-
Business Promotion	66,231	97,165
CDSL Fees	-	88,192
Conveyance	-	-
Directors' Remuneration	6,00,000	6,00,000
Discount	-	-
Electricity Charges	-	7,929
Office Expenses	42,000	1,73,200
General Expenses	-	24,777
Insurance	-	-
NSDL Custody Fee Charges	-	1,37,961
Postage and Telegram	4,09,233	1,72,999
Printing and Stationery	-	16,960
Professional Charges	35,000	35,000
Rates and Taxes	-	-
Rent	1,20,000	2,40,000
Repairs and Maintenance – Others	-	-
ROC Filing Expenses	47,100	25,724
Telephone and Internet Charges	5,968	7,909
Travelling Expenses	-	24,592
Amalgamation Expenses	-	-
Calibration Charges	-	5,000
Penalty	-	2,04,140
Rounding Off	2	3
Write Off	-	1,11,014
Total Other Expenses	18,63,018	24,07,451

**Note No. 22: Tax Expenses**

S.No.	Particulars	As on 31 March, 2022 Rupees	As on 31 March, 2021 Rupees
I	Current Tax		
	Deferred Tax		
	Adjustment for Previous Year Tax	(48,762)	(48,763)
	- Income Tax Paid for Earlier Year	-	-
	Total Other Income	(48,762)	(48,763)

Note No. 23.1: Details of Managerial Remuneration:

Particulars	Executive Director	
	2021-2022	2020-2021
Salary	6,00,000	6,00,000
Total	6,00,000	6,00,000

232 Balance of Trade Payables, Other Current Liabilities, Loans and Advances and Trade Receivables are subject to Confirmation / Reconciliation.

233 The Company's Operation mainly consist of only One Segment i.e. Drug Formulations and therefore the figures relate to that Segment only.

234 Related Party Disclosures (as identified by the Management) as per the 'Indian Accounting Standard – 24 'Related Party Transactions' are given below:

Name of the Parties:

- Sadhanala Viswa Prasad
- Sadhanala Padmaja Kalyani

NAME OF THE TRANSACTIONS RELATED TO THE PARTY	TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES	
	2021-2022	2020-2021
Managerial Remuneration	6,00,000	6,00,000
Reimbursement of Expenses	-	-

**Note No. 24: Earning Per Share (EPS)**

Particulars	2021-2022	2020-2021
The Computation of EPS is set out below:		
Earning		
Net Profit / Loss for the Period	14,51,431	9,33,111
Shares		
Number of Shares at the beginning of the period	1,03,11,234	1,03,11,234
Add: Allotted to Transferee Company	-	-
Total Number of Equity Shares outstanding at the end of the period	1,03,11,234	1,03,11,234
Weighted Average Number of Equity Shares Outstanding during the Period	1,03,11,234	1,03,11,234
	0.14	0.09

Earnings Per Share of Par Value Rs.10/- Basic and Diluted (Rs)

25. 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 Financial Year ended 31st March’ 2022.
26. Contingent Liability NIL
27. Foreign Currency Earnings / Outgoing NIL

For PPKG & Co

Chartered Accountants

Firm Registration Number: 009655S

Sd/-

Girdhari Lal Toshniwal

Partner

MM No. 205140

UDIN: 22205140AJIWT1057

For Pharmaids Pharmaceuticals Limited

Sd/-

Sadhanala Viswa Prasad

Whole Time Director

DIN : 08068933

Sd/-

Venu Madhava Kaparthy

Director

(DIN : 00021699)

Sd/-

Annie Jodhani

Company Secretary

Sd/-

Chilam Srikanth

Chief Financial Officer

Date: 21st May’ 2022

Place: Hyderabad

**Note No. 28: Income Tax****(Rs in Lakhs)**

Particulars	As on 31st March' 2022 Rupees	As on 31st March' 2021 Rupees
Tax Expense / (Credit) comprises of:		
Current Income Tax	-	-
Deferred Tax	(0.49)	(0.49)
Income Tax Expense Reported in the Statement of Profit/Loss	(0.49)	(0.49)
The Major components of Income Tax Expense and Reconciliation of Expected Tax expense based on the Domestic Effective Tax Rate of the Company at 26 % (31 st March, 2019: 25.75 %) and the Reported Tax Expense in Profit or Loss are as follows:		
Reconciliation of the Tax Expenses and the Accounting Profitmultiplied by India's Tax Rate		
Profit Before Tax	14.03	8.84
Tax at the Indian Tax Rate (26 %) (31 st March' 2019: 25.75 %)	-	-
<u>Adjustments:</u>		
CSR Expenses and other Donations	-	-
Weighted Deduction on Research and Development Expenses	-	-
Tax Incentives	-	-
Capital Gain Tax	-	-
MAT Credit Utilisation	-	-
Deferred Tax Assets not Recognized / (Utilized)	(0.49)	(0.49)
Effect of change in Tax Laws and Rate in the Jurisdictions outside India-	-	-
Other Adjustments	-	-
Income Tax Expense	(0.49)	(0.49)

Note No. 29: Capital Management

The Company's Policy is to maintain Strong Capital Base to maintain the Investors, Creditors and Market's Confidence and to sustain Future Development of Business.

The Company manages its Capital Structure through a balanced mix of Debt and Equity. The Company's Capital Structure is influenced by the changes in the Regulatory Frameworks, Government Policies, available options of Financing and impact of the same on Liquidity Position.

The Company includes within Net Debt, Interest Bearing Loans and Borrowings, Trade and Other Payables, Less Cash and Cash Equivalents. The Company Monitors Capital using a Gearing Ratio, which is Net Debt divided by Total Capital Plus Net Debt. The table below shows the Gearing Ratio for FY 2021-22 and FY 2020-21.



Particulars	2021-2022	2020-2021
Borrowings	-	-
Trade Payables	230.58	50.17
Other Current Liabilities	13.49	8.69
Cash and Cash Equivalents	40.74	20.03
Net Debt	203.32	38.83
Equity Capital	793.57	779.05
Gearing Ratio	26%	4.98%

No Changes were made in the Objectives, Policies or Processes for Managing Capital during the Financial Years ended 31st March, 2022 and 31st March, 2021.

Note No. 30: Fair Values

Set out below, is a comparison by class of the Carrying Amounts and Fair Values of the Company's Financial Instruments, other than those with the Carrying Amounts that are reasonable approximations of Fair Values:

Particulars	Carrying Values		Fair Values	
	31 st March'2022	31 st March'2021	31 st March'2022	31 st March'2021
<u>Financial Assets</u>				
Investments	0.00		0.00	
Other Financial Assets		0.00		0.00
Tax Assets (Net)		0.00		0.00
Trade Receivables	133.87	27.72	133.87	27.72
Cash and Cash Equivalents	6.77	5.77	6.77	5.77
Bank Balances other than Cash and Cash Equivalents	33.97	14.25	33.97	14.25
Other Financial Assets	0.00	0.00	0.00	0.00
Total	174.61	47.75	174.61	47.75
<u>Financial Liabilities</u>				
Non – Current Borrowings	0.00	0.00	0.00	0.00
Other Non – Current Financial Liabilities	0.00	0.00	0.00	0.00
Current Borrowings	0.00	0.00	0.00	0.00
Trade Payables	230.58	50.17	230.58	50.17
Other Current Financial Liabilities	13.49	8.69	13.49	8.69
Total	244.07	58.86	244.07	58.86

The Management assessed that Fair Values of Cash and Cash Equivalents, Trade Receivables, Trade Payables, Bank Overdrafts and Other Current Liabilities approximate their Carrying Amounts largely due to the Short Term Maturities of these Instruments.

Note No. 31: Fair Values Hierarchy

Financial Assets and Liabilities measured at Fair Values in the Statement of Financial Position are grouped into Three Levels of Fair Value Hierarchy. The Three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level – 1: Quoted Prices (Unadjusted) in Active Markets for the Financial Instruments.

Level – 2: The Fair Value of Financial Instruments that are not Traded in an Active Market is determined using the Valuation Techniques which maximise the use of Observable Market Data rely as little as possible on entity specific estimates.



Level - 3: If One or more of the significant inputs is not based on Observable Market Data, the instrument is included in Level - 3.

The following table provides the Fair Value Measurement Hierarchy of the Company's Assets and Liabilities: Quantitative Disclosures Fair Value Measurement Hierarchy for Assets as at 31st March' 2022:

Particulars	Date of Valuation	Total	Quoted Prices in Active Markets (Level – 1)	Significant Observable Inputs (Level – 2)	Significant Unobservable Inputs (Level–3)
<u>Fair Value of Financial Assets</u>					
Investments		-	-	-	-
Other Financial Assets	31-Mar-22	-	-	-	-
Tax Assets (Net)	31-Mar-22	-	-	-	-
Trade Receivables	31-Mar-22	133.87	-	133.87	-
Cash and Cash Equivalents	31-Mar-22	6.77	-	6.77	-
Bank Balances other than Cash and Cash Equivalents	31-Mar-22	33.97	-	33.97	-
Other Financial Assets	31-Mar-22	-	-	-	-
Total		174.61	-	174.61	-

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

Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities as at 31st March' 2022:

Particulars	Date of Valuation	Total	Quoted Prices in Active Markets (Level – 1)	Significant Observable Inputs (Level – 2)	Significant Unobservable Inputs (Level–3)
<u>Fair Value of Financial Liabilities</u>					
Non – Current Borrowings	31-Mar-22	-	-	-	-
Other Non – Current Financial Liabilities	31-Mar-22	-	-	-	-
Current Borrowings	31-Mar-22	-	-	-	-
Trade Payables	31-Mar-22	230.58	-	230.58	-
Other Current Financial Liabilities	31-Mar-22	13.49	-	13.49	-
Total		244.07	-	244.07	-

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

The following table provides the Fair Value Measurement Hierarchy of the Company's Assets and Liabilities: Quantitative disclosures Fair Value Measurement Hierarchy for Assets as at 31st March' 2021:



Particulars	Date of Valuation	Total	Quoted Prices in Active Markets (Level – 1)	Significant Observable Inputs (Level – 2)	Significant Unobservable Inputs (Level–3)
Fair Value of Financial Assets					
Investments	31-Mar-21	0.00	-	0.00	-
Other Financial Assets	31-Mar-21	0.00	-	0.00	-
Tax Assets (Net)	31-Mar-21	0.00	-	0.00	-
Trade Receivables	31-Mar-21	27.72	-	27.72	-
Cash and Cash Equivalents	31-Mar-21	5.77	-	5.77	-
Bank Balances other than Cash and Cash Equivalents	31-Mar-21	14.25	-	14.25	-
Other Financial Assets	31-Mar-21	0.00	-	0.00	-
Total		47.75	-	47.75	-

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

Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities as at 31st March' 2021:

Particulars	Date of Valuation	Total	Quoted Prices in Active Markets (Level – 1)	Significant Observable Inputs (Level – 2)	Significant Unobservable Inputs (Level–3)
Fair Value of Financial Liabilities					
Non – Current Borrowings	31-Mar-21	-	-	-	-
Other Non – Current Financial Liabilities	31-Mar-21	-	-	-	-
Current Borrowings	31-Mar-21	-	-	-	-
Trade Payables	31-Mar-21	50.17	-	50.17	-
Other Current Financial Liabilities	31-Mar-21	8.69	-	8.69	-
Total		58.86	-	58.86	-

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

Note No. 32: Financial Risk Management Objectives and Policies

The Company is exposed to Financial Risk such as Market Risk (Interest Rate Risk, Fluctuation in Foreign Exchange Rates and Price Risk), Credit Risk and Liquidity Risk. The General Risk Management Program of the Company focuses on the unpredictability of the Financial Markets and attempts to minimize their potential negative influence on the Financial Performance of the Company. The Company continuously reviews its Risk Exposures and takes measures to limit it to acceptable levels. The Board of Directors have the overall responsibility for the establishment and oversight of the Company's Risk Management Framework.

Market Risk

Market Risk is the Risk that the Fair Value of Future Cash Flows of a Financial Instrument will fluctuate because of changes in Market Prices. Market Risk comprises three types of Risk i.e. Interest Rate Risk, Foreign Currency Risk and Other Price Risk. Financial Instruments of the Company affected by Market Risk include Borrowings and Deposits.

The Sensitivity Analysis in the following sections relate to the position as at 31st March' 2022 and 31st March' 2021.

The Analysis exclude the impact of movements in market variables on the Carrying Values of Gratuity and other Post – Retirement Obligations; Provisions and the Non – Financial Assets and Liabilities.



The following assumptions have been made in calculating the Sensitivity Analysis:

The Sensitivity of the Relevant Profit or Loss item is the effect of the assumed changes in respective Market Risks. This is based on the Financial Assets and Financial Liabilities held at 31st March' 2022 and 31st March' 2021.

Price Risk

Price Risk is the Risk of Fluctuations in the Change in Prices of Equity Investments.

Credit Risk

Credit Risk is the Risk arising from Credit Exposure to Customers and the Counterparty will default on its Contractual Obligations.

The Company has adopted a Policy of only dealing with Creditworthy Customers / Corporates to minimise the Collection Losses. Credit Control Team assesses the Credit Quality of the Customers, their Financial Position, past experience in payments and other relevant factors. Advance Payments are obtained from Customers in bank cheques, as a means of mitigating the Risk of Financial Loss from Defaults.

The Carrying Amount of Trade and Other Receivables, Advances to Suppliers, Cash and Short Term Deposits and Interest Receivable on Deposits represents Company's maximum exposure to the Credit Risk. No other Financial Asset carries a significant exposure with respect to the Credit Risk. Deposits and Cash Balances are placed with Schedule Commercial Banks.

An Impairment Analysis is performed at each Reporting Date on an Individual Basis for major clients. In addition, a large number of minor receivables are assessed for Impairment collectively. The Maximum exposure to Credit Risk at the Reporting Date is the Carrying Value of each class of Financial Assets.

Financial Instruments and Cash Deposits

Credit Risk from Balances with Banks and Financial Institutions is managed by the Company's Treasury Department in accordance with the Company's Policy.

Liquidity Risk

Liquidity Risk is the Risk that the Company will have difficulty in raising the Financial Resources required to fulfil its commitments.

Liquidity Risk is held at low levels through effective Cash Flow Management. Cash Flow Forecasting is performed internally by rolling forecasts of the Company's Liquidity Requirements to ensure that it has sufficient Cash to meet the Operational Requirements, to Fund Scheduled Capex and Debt Repayments and to comply with the terms of Financing Documents.

For PPKG & Co

Chartered Accountants

Firm Registration Number: 009655S

Sd/-

Girdhari Lal Toshniwal

Partner

MM No. 205140

UDIN: 22205140AJIWT1057

For Pharmaids Pharmaceuticals Limited

Sd/-

Sadhanala Viswa Prasad

Whole Time Director

DIN : 08068933

Sd/-

Venu Madhava Kaparthy

Director

(DIN : 00021699)

Sd/-

Annie Jodhani

Company Secretary

Sd/-

Chikam Srikanth

Chief Financial Officer

Date: 21st May' 2022

Place: Hyderabad