

Pharmaids Pharmaceuticals Limited



*Twenty First Annual Report
Of*

Pharmaids Pharmaceuticals Limited

2009-10

**TWENTY FIRST ANNUAL REPORT
2009-10**

BOARD OF DIRECTORS

Dr.Ghisulal Jain	:	Chairman & Managing Director
Shri Subhash Jain	:	Executive Director
Shri Hasmukh Jain	:	Director
Shri Mahendra k. Ranka	:	Independent Director
Shri M. Sudheer Anand	:	Independent Director
Shri G. Uday Kumar	:	Independent Director

REGISTERED OFFICE

4-4-211/212/3,1ST Floor,
Inderbagh,Sultan Bazar,
Hyderabad-500 095

E-MAIL

mailpharmaids@yahoo.co.in

WEBSITE

www.pharmaidsindia.com

WORKS

Sy. No:533, (v) Kondamadugu
(M) Bibinagar, Dist, Nalgonda
Tel No. 08685-329988

AUDITORS

M/s. Laxshminiwas & Jain
Chartered Accountants

LISTING AT

The Hyderabad Stock Exchange Ltd.,
Bombay Stock Exchange Ltd.,

REISTERER & SHARE TRANSFER AGENTS

M/s. Venture Capital & Corporate Services Ltd.,
12-10-167,Bharat Nagar, Hyderabad 500 018.

BANKERS

Central Bank of India
Gudimalkapuram Branch, Hyderabad

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NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of **M/s.PHARMAIDS PHARMACEUTICALS LIMITED** will be held on Thursday, the 30th September 2010, at 10.30 A.M. at Andhra Pradesh Chemists & Druggists Association, 5-9-262/1, King Koti, Hyderabad to transact the following business:

ORDINARY BUSINESSES:

1. To Receive, Consider and Adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended 31st March 2010, together with the reports of the Directors and Auditors' thereon.
2. To appoint a Director in the place of Sri. Hasmukh Jain, who retires by rotation and being eligible offers him self for re-appointment.
3. To appoint a Director in the place of Shri. M Sudheer Anand, who retires by rotation and being eligible offers him self for re-appointment.
4. To appoint M/s. Lakshminivas & Jain, Chartered Accountant, Hyderabad as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till conclusion of the next Annual General Meeting and authorize Board of Directors of the company to fix their remuneration.

By order of the Board of Directors

Sd/-

(DR. GHISULAL JAIN)

Chairman & Managing Director

Place: Hyderabad

Date: 01-09-2010

NOTES FOR MEMBERS ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members are requested to notify immediately any change in their address to the share transfer agents and incase their shares are held in dematerialized form, this information should be passed on to their respective depository participants with out delay.
3. Register of members of the Company and Share Transfer Books will remain closed from Monday, the 27th day of September 2010 to Thursday, the 30th day of September 2010 (both days inclusive).
4. Members who have multiple accounts are requested to intimate to the company, the folios of such accounts, to enable the company to consolidate all their share holdings in to one account.
5. Members who hold shares in dematerialized form are requested to bring their client ID and DP IDs for easier identification of attendance at the meeting.
6. Pursuant to the requirements of the listing agreement of stock exchanges, the information of the directors proposed to be appointed or Re-appointed is given in the annexure to the notice.
7. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
8. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.

Additional Information on retiring directors as required under provisions of Listing Agreement:

Brief Profile of Shri.Hasmukh Jain

Shri. Hasmukh Jain, aged about 47 years has done Metriculation and having more than 22 years of experience in the field of business and does not hold Directorship in any other Companies.

Brief Profile of Shri.M Sudheer Anand

Shri. M Sudheer Anand, aged about 38 years is having wide experience and expertise in corporate finance and does not hold Directorship in any other Companies.

By order of the Board of Directors

Place: Hyderabad
Date: 01-09-2010

Sd/-
(**Dr.Ghishulal Jain**)
Chairman & Managing Director

DIRECTOR'S REPORT

To
The Members,
M/s Pharmaids Pharmaceutical Limited
Your Directors are pleased to present herewith the 21st Annual Report on the business and operations of the Company and the Audited Accounts for the year ended 31st March 2010.

1. FINANCIAL RESULTS AND OPERATIONS:

The summarized financial results for the year ended 31st March 2010 as compared with the previous year are as under:

1. FINANCIAL RESULTS

(Rs.in Lakhs)

PARTICULARS	2009-10	2008-09
Profit before Depreciation	(6.14)	(4.05)
Less: Depreciation	7.72	8.04
Less: Provision for Tax	0.00	0.00
Deffered Tax	1.55	1.08
Fringe Benefit Tax	0.00	0.06
Profit/(loss) for the year	(12.30)	(10.95)
Less: Prior period adjustment	0.00	0.00
Add: Profit b/f from earlier years	(113.96)	(103.01)
Profit/Loss carried to Balance Sheet	(126.33)	(113.96)

The Operational performance of the Company is discussed in detail under Management Discussion and Analysis Report.

2.. DIVIDEND:

Your Directors consider it prudent to conserve the resources of the Company to sustain its future growth and as such have not recommended any dividend for the year.

3. PUBLIC DEPOSITS:

The Company has not accepted any fixed deposits from the public within the meaning of section 58A of the Companies Act, 1956 and there are no outstanding deposits as on 31st March, 2010

4. OUTLOOK FOR THE CURRENT YEAR:

The Company is taking adequate steps to strengthen the marketing department with a view to launch new products and is in the process of searching new avenues for marketing the same.

5. STATUTORY DISCLOSURES:

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:

Particulars pursuant to the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure - A.

6. DIRECTORS:

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company Sri. Hasmukh Jain and Sri. M Sudheer Anand, Directors retire by rotation and being eligible offer themselves for re-appointment.

7. AUDITORS:

M/s Lakshminivas and Jain, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

8. AUDIT COMMITTEE:

In accordance with Clause 49 of the Listing Agreement, the company has constituted an Audit Committee, which consists of Three Independent and Non Executive Directors of the company Viz Sri.M.Sudheer Anand, Sri.Mahendra K Ranka and Mr. Hasmukh Jain. The Audit committee functions in terms of the role and powers delegated by the Board of Directors keeping in view of the Provisions of Clause 49 of Listing Agreement and Section 292A of the Companies Act 1956.

9. PARTICULARS OF EMPLOYEES:

There are no employees in the organization coming under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

10 EXPLANATION TO AUDITORS OBSERVATON:

The observations made by the Auditors in their report referring to the notes forming part of the Accounts are self-explanatory to the extent necessary and do not require any further elucidation.

11.DIRECTOR'S RESPONSIBILITY STATEMENT:

In accordance with sub-section (2AA) of section 217 of the Companies Act, 1956, the Directors of the Company state:

- a. That in the preparation of the accounts for the financial year ended 31st March 2010; the applicable accounting standards have been

followed along with proper explanation relating to material departures.

- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the accounts for the financial year ended 31st March 2010 on a 'going concern basis.

12. DISCLOSURE AS PER LISTING AGREEMENT :

Clause 32

The cash Flow Statement in accordance with accounting standard of Cash Flow Statement (AS-3) issued by ICAI is appended to this Annual Report.

Clause 43A

The Companies shares are listed on the Bombay Stock Exchange Ltd., It is further informed that the Annual Listing Fees to the Stock Exchange is paid upto 2010-11.

13. CORPORATE GOVERNANCE:

A separate report on corporate governance along with Auditor's Certificate on its compliance is attached to this report.

14 MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Separate Report of Management Discussion and Analysis as required under the Provisions of listing agreement attached to this report.

15. INDUSTRIAL RELATIONS:

Industrial relations continue to be cordial and the management places on record its appreciation for the devotion and commitment demonstrated at all times particularly during the critical times, which the company had to pass through.

16. HUMAN RESOURCES:

The Board of Directors would like to place on record its deep appreciation to all the employees for their dedicated services to the company. Our organizational culture and work environment is central to our ability to complete effectively.

17. COMPLIANCE CERTIFICATE:

Company has taken initiative to appoint Qualified Company Secretary to comply with the provision of Section 383A of the companies Act, 1956 and Listing Agreement. The efforts of the company were not fruitful, however company is availing the services from a Practicing Company Secretary.

18. ACKNOWLEDGEMENTS:

Your Directors wish to express their appreciation for the cooperation and continued support received from the Central Bank of India, the Company's Bankers. Your Director's also take this opportunity to place on record their appreciation for the dedicated services rendered by the executives, managers, officers, employees and workers for the dedication and sense of commitment shown by the employees at all levels and their contribution towards the performance of the Company.

By Order of the Board

Sd/-

(Dr.Ghisulal Jain)

Chairman & Managing Director

Place: Hyderabad

Date: 03.09.2010

ANNEXURE TO THE DIRECTOR'S REPORT

Particularly required under the Companies & Disclosures of particulars in the Report of Board of Directors Rules, 1988.

1. Conservation of energy

Energy conservation measures taken as:

- i. Standard operating process is being implemented for Plant & Machinery.
- ii. Capacitors are used to improve power efficiency.
- iii. Total energy consumption per unit of production is as per form-A

The Annexure to the rules in respect of Industries specified the schedule there to;

FORM - A (See rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	2009-10	2008-09
A. Power & Fuel consumption		
ELECTRICITY:		
1. Purchase		
Total Units (KWH)	5641	6343
Total amount (Rs. In lacs)	44004	55051
Rate per unit in Rs.	7.80	8.68

2. Own Captive Generation through	-	-
Diesel Generator	-	-
Unit (KWH)	-	-
Unit per Ltd.,	-	-
Cost per Unit (Rs.)	-	-
B . Consumption per unit of production Electricity (unit/kg)	NA	NA
Since the company manufactures different types of Drug formulations it is not practicable to give consumption per unit of product.		
<p style="text-align: center;">FORM B (See Rule 2) Form for Disclosure of Particulars with respect to Technology Absorption (R&D)</p> <p>Disclosures of particulars with respect to technology absorption research and development (R&D).</p> <p>In house development works is carried out by the company by implementing GMP guidelines. No significant expenditure is incurred.</p>		

By Order of the Board

Sd/-

Place: Hyderabad
Date: 01-09-2010

(Dr.Ghisulal Jain)
Chairman& Managing Director

**11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT
INDUSTRY OVER VIEW:**

In the words of Richard Gerster, the famous economist and activist from Switzerland, Indian pharmaceutical industry can be defined as a success story providing employment for millions and ensuring that essential drugs are available at affordable prices to the vast population of Indian sub-continent. The Indian pharmaceutical industry has witnessed a growth rate of about 10% over the last few years and is expected to touch US\$ 12 billion by 2010. Pharmaceutical industry has given employment to approximately 2.86 million people and has around 20,053 units. Globally, India is 4th in terms of volume (8% of world's production), 13th in terms of value, and 17th in terms of pharmaceutical export value.

It is growing at an average rate of 7.2 % and is expected to grow to US \$ 12 billion by 2010. As in the present scenario, only a few people can afford costly drugs, which have increased price sensitivity in the pharmaceutical market, the companies are trying to capture the market by introducing high quality and low price medicines and drugs. Driven by growing number of pharmaceutical units, increased knowledge skills, improved quality and increasing national as well as international demand, India is now recognized as a leading global player..

COMPANY OVERVIEW:

The Pharmaids Pharmaceuticals Limited is primarily engaged in manufacture of affordable life saving drugs in various forms like Tablets, Capsules, Liquids and Powders etc., in allopathic and herbal drug formulation.

OPPORTUNITIES:

With the Product Patent Act, coming into operation, the industry is able to attract big MNCs to India. Earlier these big firms had apprehensions in launching new drugs in the Indian market. Contract research and pharmaceutical outsourcing are the new avenues in the pharmaceutical market. Contract manufacturing is growing at a very fast pace and is estimated to grow to US \$30billion, whereas contract research is estimated to reach US\$6-10 billion. Approvals given by Foods and Drugs Administration (FDA) and ANDA (Abbreviated New Drug Application)/DMF (Drug Master File) have played an important role in making India a cost-effective and high quality product manufacturer. Furthermore, the changes that took place in the patent law, change of process patent to product patent, have helped in reducing the risk of loss for intellectual property. This presents immense growth prospects to the Company.

THREATS, RISKS & CONCERNS:

The risks involving the Pharmaceutical industry are two fold, macro-risks and micro-risks. While macro-risk usually affects a whole industry or state and thus needs joint and collaborative efforts, micro-risks can be de risked at the company level. The key macro-risks are local political developments, policy of the Government, and change in laws of the land, economic and inflationary trends.

While at the Micro level, the Company's Main concern is the implementation of the govt policies as well as guidelines mentioned in Schedule M of W.H.O G.M.P Standards which give general and specific requirements for factory premises and materials, plant and equipment and minimum recommended areas for basic installation for certain categories of drugs.

SEGMENT WISE PERFORMANCE:

As the Company operates in only one segment i.e production and marketing of Pharmaceutical formulations, segment wise analysis of performance is not required.

OUTLOOK:

The new patent regime has led many multinational pharmaceutical companies to look at India as an attractive destination not only for R&D but also for contract manufacturing, conduct of clinical trials and generic drug research. The future of Indian pharmaceutical sector is very bright as the dream of Indian pharmaceutical companies for marking their presence globally and competing with the pharmaceutical companies from the developed countries like Europe, Japan, and United States is now coming true. By revising its R&D policies the government is trying to boost R&D in domestic pharma industry. It is giving tax exemption for a period of ten years and relieving customs and excise duties of all the drugs and material imported or exported for clinical trials to promote innovative R&D.

The Company is confident of accelerating the growth rate as soon as the company starts its operation from excise free zone in Northern India and the existing facilities. With the adoption of Schedule 'M', GMP guideline, the company expects to perform better in the future

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review the Company has achieved a Sales of Rs 50.21 lakhs as against Rs. 39.95 Lakhs in the previous year registering a rise of Rs.10.26 lakhs. During the year the Company has registered a Net loss before tax of Rs.13.85 Lakhs as against Rs.12.10 Lakhs in the previous year. The Company has not made any provision for income tax and fringe benefit tax for the year under consideration.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company recognizes the importance and contribution of its employees to the growth and development of the Company. The Company continued to maintain cordial relations with employees and staff..

INTERNAL CONTROL SYSTEM AND ADEQUACY:

Your Company continues to place considerable emphasis and efforts on the I internal control systems. Periodical internal audits, limited reviews by the Management and Audit Committee meetings is focusing on the quality of the internal checks and balances in the finance and accounting aspect.

Your Directors have taken all steps for recovery of old dues and in some cases, company has taken legal cases and also lodged a legal complaint regarding our trade mark of the Dicloplus Tab.

Also the company is bound to profitability sources like focus on waste reduction, cost reduction and improvement in productivity.

CAUTIONARY STATEMENT:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be considered to be forward looking statements and actual results could differ materially from those expressed or implied. Important factors which could make a significant difference to the Company's operations include downtrend in the pharmaceutical sector, demand supply conditions, market prices, input component costs and availability, changes in government regulations and tax laws besides other factors such as litigation, over which the Company may not have any control.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

1. A brief statement on Company's philosophy on code of Governance:

Pharmaids Pharmaceuticals limited believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of affairs of the Company and help the Company to achieve goal of maximizing value for all its stake owners. Your Company's business objective is to manufacture and market the Company's product in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees & business partners. Your Company is conscious of the fact that the success of a Company is a reflection of the professional conduct and ethical values of its management & employees. Your Company affirms its commitment to follow good corporate governance practices proactively.

2. Board of Directors

- (i) The Company has Three Whole Time Directors & and Three Independent Directors. The Chairman is Promoter executive Director, The Board of the Company is in conformity with Clause 49 of the Listing Agreement. The Company has an optimum combination of Executive and Non-executive Directors.
- (ii) None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all the companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as at 31st March 2010 have been made by the Directors.
 - (iii) The details relating to the names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of directorships and committee memberships held by them in other companies are given below:

Name	Category	No. of Board Meetings during the Year 2009-10		Whether attended last AGM held on 30 th Sep 2009	No. of Directorships in other Public companies	No. of Committee positions held in other public companies	
		Held	Attended			Chairman	Member
Dr. Ghishulal Jain	Managing Director and Non Independent Director	5	5	Yes	Nil	Nil	Nil
Sri Subash Jain	Executive and non independent Director	5	5	Yes	Nil	Nil	Nil
Sri Has Mukh Jain	Director	5	5	Yes	Nil	Nil	Nil
Sri Mahendra K Ranka	Independent Director	5	5	Yes	Nil	Nil	Nil
Sri M. Sudheer Anand	Independent Director	5	4	Yes	Nil	Nil	Nil
Sri G. Uday Kumar	Independent Director	5	5	Yes	Nil	Nil	Nil

- (iv) Five (5) Board Meetings were held during the year 2009-10 and intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 1956 and Clause 49 of the Listing Agreement. The dates on which the Board Meetings held were 31st July 2009, 01st September 2009, 30th October 2009, 30th January 2010 and 30th March 2010.
- (v) Apart from receiving the sitting fees, Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of the Director.
- (vi) Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

- (vii) The Board members are given in advance the appropriate documents and information of each Board and Committee meetings so as to enable them to participate effectively and contribute to the smooth functioning of the Company.

3. Audit Committee

- (i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act 1956.
- (ii) The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive Independent Directors and are financially literate:
- | | |
|-------------------------|------------|
| 1. Sri M.Sudheer Anand | - Chairman |
| 2. Sri Mahendra K Ranka | - Member |
| 3. Sri Hasmukh Jain | - Member |
- (iii) The terms of reference stipulated by the Board to the Audit Committee includes review of the following:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
 - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause

(2AA) of section 217 of the Companies Act, 1956

- b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising three Non-Executive and independent Directors. Sri. M.Sudheer Anand, who is heading the Audit Committee as Chairman is having vast experience in Banking, Industrial Finance, and Project Implementation & Management. The Chairman of the Audit Committee was present at the previous Annual General Meeting.

- (iv) During the year 2009-10 the Audit Committee met **Four (4)** times. The statutory auditors and whole-time directors were invited for the meetings. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2009-10	
		Held	Attended
Sri. M.Sudheer Anand - Chairman	Independent, Non Executive	4	4
Sri. Mahendra K Ranka - Member	Independent, Non Executive	4	4
Sri. Hasmuk Jain - Member	Independent, Non Executive	4	4

4. REMUNERATION COMMITTEE:

The Company had constituted a Remuneration Committee in terms of Schedule XIII of the Companies Act, 1956 read with clause 49 of the listing agreement. The Committee is headed by Dr.Ghishulal Jain and consists of Sri. Mahendra K Ranka and Sri. G.Uday Kumar. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the salary (including annual increments) perquisites and commission including pension rights & any compensation payment to be paid to the Company's Managing / Whole-Time-Director's.

Remuneration policy: The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the Company and talents of the appointee. The Executive Directors and Non- Independent Directors of the Company are not entitled to sitting fees. The Non Executive Independent Directors are not paid any remuneration except sitting fees for attending Board/ Committee meetings.

During the year 2009-10 the Committee was not required to meet.

5. Remuneration of Directors

Details of remuneration/sitting fees paid to the Directors for the year 2009-10 are given below.

Name	Sitting Fee Rs.	Salary, perquisites and allowances Rs.
Dr.Ghishulal Jain	N.A	90,000
Sri.Subash Jain	N.A	63600
Sri. Hasmukh Jain	N.A	
Sri. Mahendra K Ranka		N.A
Sri. M.Sudheer Anand	---	N.A
Sri. G.Uday Kumar	---	N.A

No pecuniary relationship exists between the Company and its Non - Executive Directors except for the sitting Fees as mentioned above.

The Company does not have any stock option plan or performance incentives.

Details of Shares of the Company held by the Directors as on March 31, 2010 are as below:

Name	No.of Shares
Dr.Ghishulal Jain	18030
Sri Subash Jain	11400
Sri Hasmukh Jain	3500
Sri Mahendra K Ranka	100
Sri M.Sudheer Anand	-
Sri G.Uday Kumar	-

6. SHARE TRANSFER & INVESTOR'S GRIEVANCE COMMITTEE:

This committee comprises of 3 members Dr.Ghishulal Jain, Sri.Subash Jain and Sri.Hasmukh Jain. The Chairman of the Committee is Dr.Ghishulal Jain. The Committee looks into transfer and transmission, issue of duplicate share certificate, consolidation and sub-division of shares and investors grievance. The committee oversees the performance of the Registrars and Transfer agents and recommends measures for overall improvement in the quality of investor services.

The committee met 4 times during the year 2009-10.

Investor Grievance status chart

PARTICULARS	RECEIVED	RESOLVED
Non receipt of Dividends	Nil	Nil
Transmission	Nil	Nil
Change of Address	—	—
Request for Demat	21	21
Request for Remat	—	—

Investor Service letters

PARTICULARS	RECEIVED	RESOLVED
--------------------	-----------------	-----------------

Transfers	13	1300
Request for Demat	21	8900

There were no transfers or transmissions or demat/remat requests pending as on 31st March 2010.

7. GENERAL BODY MEETINGS:

a. Location & Time of Last 3 Annual General Meetings:

Year	Venue	Date	Time
2008-2009	APCDA,5-9-262/1,King Kothi,Hyderabad	30.09.2009	10.30 A.M
2007-2008	APCDA,5-9-262/1,King Kothi,Hyderabad	30.09.2008	3.00 P.M
2006-2007	APCDA,5-9-262/1,King Kothi,Hyderabad	29.09.2007	10.30 A.M

b) During the year none of the resolutions had been passed through postal ballot.

8. DISCLOSURES:

During the year 2009-10 the Company had no materially significant related party transactions, which is considered to have potential conflict with the interest of the Company at large. The disclosures as to relate party transaction is disclosed in the notes to accounts.

There were no instances of non-compliance, penalties, strictures imposed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter relating to the capital markets during the last 3 years.

9. MEANS OF COMMUNICATION:

The Board of Directors of the Company approves and takes on record the unaudited financial results in proforma prescribed by the stock exchange. Where the shares of the Company are listed, within one month of the close of the quarter and announces forthwith the results to the stock exchange. The audited/unaudited results will be published usually in the newspapers.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Information on Management Discussion and Analysis is given in the Directors' Report.

11. NON-MANDATORY REQUIREMENTS:

As regards adoption of Non-Mandatory requirement of Corporate Governance. It is submitted that the Company does not send the half yearly results to each of the shareholders.

12. GENERAL SHAREHOLDERS INFORMATION:

a. 21st Annual General Meeting

Date and Time :Thursday, the 30th September, 2010 at 10.30 a.m

Venue :Andhra Pradesh Chemists and Druggists Association,
5-9-262/1, King Kothi,
Hyderabad

- b. Financial Calendar (tentative)
- Financial Year : 1st April to 31st March
 - First Quarter Results : July 2010
 - Second Quarter and Half yearly results : October 2010
 - Third Quarter Results : January 2011
 - Last Quarter Results / Audited Results : April 2011/June 2011
- c. Dates of Book closure : Monday, the 27th day of September 2010
Thursday, the 30th day of September 2010
- d. Dividend payment date : Not applicable
- e. Listing on Stock Exchanges : The Bombay Stock Exchange Limited, Mumbai
- Stock Code : 524572
 - ISIN Numbers in NSDL & CDSL for Equity Shares : INE117D01018
- The Company has paid its annual listing fees to the stock exchange for the financial year 2009-10
- f. Market Price Data : High/Low price quotation in each month of the last financial year 2009-10 on the Stock Exchange, Mumbai is given below.

Month	High (Rs.)	Low (Rs.)
Apr' 09	3.03	2.4
May' 09	3.05	2.28
Jun' 09	3.69	2.73
Jul' 09	3.00	2.31
Aug' 09	2.96	2.22
Sep' 09	4.79	3.00
Oct' 09	3.88	3.03
Nov' 09	3.57	2.81
Dec' 09	4.25	3.40
Jan' 10	4.95	3.25
Feb' 10	4.06	2.95

Mar'10	4.26	2.85
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Source: www.bseindia.com

Registrars and Transfer Agents (RTA): M/s Venture Capital & Corporate Investments Limited, 12-10-167, Bharat Nagar, Hyderabad 500 004.

13. SHARE TRANSFER SYSTEM :

In pursuance of SEBI notification No.D&CC/FITTC/CIR-15/2002 dated 27th December 2002 the Company had appointed M/s Venture Capital & Corporate Investment Ltd as single agency for share registry work. Share transfers and communications regarding share certificates, change of address, etc., must be forwarded to the RTA.

Shares Sent for physical transfer are generally registered and returned with in period of 15days form the date of receipt, if the documents are clear in all respects. the shares of the company have been placed by the SEBI under compulsory dematerialization ("DEMAT").The company has, as per SEBI guidelines with effect from said date offered the facility of transfer cum Demat.

14. SHAREHOLDING PATTERN AS ON 31ST MARCH 2010:

Sl.No	Category	No.of Shares	% of Shareholding
1.	Promoters	239395	7.03
2.	Mutual Funds and UTI	0.00	0.00
3.	Banks, Financial Institution, Insurance Companies	0.00	0.00
4.	Private Corporate Bodies	218754	6.43
5.	Indian Public	2942095	86.39
6.	NRIs/OCBs	5256	0.15
	Total	3405500	100.00

15. Distribution of Shareholding as on 31st March 2010

Share or debenture holding of Nominal value of Rs. Rs.	Share / Debenture Holders		Shares / Debenture Amount In Rs.	
	to	Number	%	% of
(1)	(2)	(3)	(4)	(5)
1 - 5000	3,555	75.88	920979	27.04
5001 - 10000	692	14.77	596555	17.51
10001 - 20000	211	4.50	329725	9.68
20001 - 30000	81	1.72	215772	6.33
30001 - 40000	30	0.60	107965	3.17
40001 - 50000	27	0.57	128065	3.76
50001 - 100000	58	1.23	436948	12.83
100001 - Above	31	0.66	669491	19.65
TOTAL		100.00*	34055000	100.00

16. De-materialization of shares and liquidity

Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Dematerialization of shares is done through M/s Venture Capital and Corporate Investments Ltd., and on an average the dematerialization process is completed within a period of 7 days from receipt of a valid demat request along with all documents.

17. Outstanding ADRs/GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

18. Secretarial Audit

The Company gets the Secretarial Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Secretarial Audit Report placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the Company's shares are Listed.

19. Plant Locations : Sy.No-533,(V) Kondamadugu,
Bibinagar Mandal,
Nalgonda Dist,
A.P.

20. Address for Correspondence

Sl.No.	Shareholders Correspondence for	Address to
1.	Transfer/ Dematerialization/ consolidation/split of shares, issue of Duplicate share certificates, change of address of members and beneficial owners and any other query relating to the shares of the Company.	M/s. Venture Capital and Corporate Investments Ltd, 12-10-167, Bharat Nagar, Hyderabad-500 004
2.	Investor Correspondence/queries on Annual Report etc.	M/s. Pharmmaids Pharmaceuticals Ltd 4-4-211/212/3, Ist floor, Inderbagh, Hyderabad-500 095 E- mail: mailpharmmaids@yahoo.co.in

21. Depository Services

For guidance on Depository services, Shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel: 091-022-24972964-70 Fax: 091-022-24972993 / 24976351 Email: info@nsdl.co.in.	Central Depository Services (India) Ltd. Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street Mumbai - 400 023 Tel: 091-022-22723333 Fax: 091-022-22723199 Email: investors@cdslindia.com
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22. Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

23. Company's Policy on prevention of insider trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

Date: 01-09-2010
Place: Hyderabad.

By Order of the Board
Sd/-
(Dr.Ghisulal Jain)
Chairman & Managing

Director

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF
CONDUCT**

Pursuant to Circular No.SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October 2004, it is hereby declared that the Company has adopted a Code of Conduct for

its Board Members and Senior Management Personnel. I hereby confirm that the Company has in respect of the financial year ended March 31, 2010, received from the senior management personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Hyderabad

Date : 01-09-2010

(Dr.Ghisulal Jain)
Chairman & Managing Director

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE
GOVERNANCE**

To
The Members of
M/s Pharmaids Pharmaceuticals Limited

We have examined the compliance of the conditions of Corporate Governance by Pharmaids Pharmaceuticals Limited for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

On the basis of representation received from Registrars and Share Transfer Agents and as per the records maintained by the Company which are presented to the Shareholders/Investors grievance committee, we state that during the year ended 31st March, 2010 no investor grievance were pending for a period exceeding one month.

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.

Place Hyderabad
Date:01-09-10

For Lakshminivas & Jain
Chartered Accountants

Sd/-

(Suresh Kumar Jain)
Partner
M.No.18465

**CERTIFICATE BY MANAGING DIRECTOR AND SENIOR
MANAGER FINANCE & ACCOUNTS OF THE COMPANY**

We, Dr.GhisuLal Jain, Chairman and Managing Director and S.Seshu Prakash Manager, Finance & Accounts of M/S.Pharmmaids Pharmaceuticals Limited, hereby certify to the Board that

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief.
 - i) These statements do not contain any materially untrue statement for the year or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's Affairs is in the compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct
- c) We are responsible for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors, audit committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or proposed to take rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee:
 - i) Significant changes in internal control during the year:
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- e) We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct)

f) We further declare that all board members and designated senior management have performed compliance with the code of conduct for the current year.

Date:01.09.2010
Hyderabad

Sd/-
(DR.GHISULAL JAIN)
Chairman & Managing Director

Sd/-
(S.SESHU PRAKASH)
Manager (F&A)

AUDITORS REPORT

To
The member,
M/s. Pharmaids Pharmaceuticals Limited Hyderabad.

1. We have audited the attached Balance Sheet of PHARMAIDS PHARMACEUTICALS LIMITED AS AT 31st March 2010 the Profit And loss Account and also the Cash Flow Statement for the year ended on that annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management. As well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-sec (4A) of Sec.227of the companies Act.1956 of India. We enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the annexure referred to above. We report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (b) In our opinion. Proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account:
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standard referred to in Sub Sec (3C) of Sec.211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31.03.2010 and taken on record by the board of Directors, we report that none of the Director is disqualified as on 31-03-2010 from being appointed as a Director in terms of clause (g) of sub section (1) of the section 274 of the Companies Act 1956.

(f) In our opinion and to the best of our information and according to the explanation given to us, the said account read with the accounting policies and notes forming part of accounts appearing in Schedule no. 12 Subject to note No. 3 of the Schedule 12, *regarding non confirmation / reconciliation of balances shown under debtors, Creditors, Un-Secured Loans and Advances, the impact of which is unascertained, and Note no. 4 of Schedule 12 regarding non-provision of interest on Cash Credit and Term Loan account impact of which is uncerterned* , give the information required by Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31.03-10
- (ii) In the case of Profit and Loss account of the loss for the year ended on that date and
- (iii) In the case of Cash flow statement, of the Cash flows for the year ended on that date.

JAIN

**Place: Hyderabad
Date: 01-09-10**

**For LAXMINIWAS &
Chartered Accountants**

Sd/-

**SURESH KUMAR JAIN
Partner
(M. No.:018465)**

ANNEXURE TO AUDITOR'S REPORT
Ref. PHARMAIDS PHARMACEUTICALS LIMITED
(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars including
Quantitative details and situation of Fixed Assets
- (b) All the assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations furnished to us, the company has not disposed off a substantial part of its fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanation given to us, the company has
Neither granted nor taken any loans secured or unsecured to/from companies,
Firms or other parties covered in the register maintained under Sec. 301 of the
Companies Act. 1956 hence clause iii (a to g) are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Sec. 301 of the Companies Act. 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there is no transaction made in pursuance of contracts or arrangements entered in the register maintained under Sec. 301 of the Companies Act.

1956 and exceeding the value of Rs. Five lakhs in respect of any party during the year.

- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A & 58 AA or any other relevant provisions of the Companies Act,1956 and rules framed there under. The company has not accepted any deposits from the public within the meaning of Sec. 58A and 58AA or any party during the year.
- (vii) In our opinion, The Company has an internal audit system by their own staff, which needs to be further strengthened.
- (viii) We have broadly reviewed the books of accounts relating to material labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Sec. 209(i)(d) and are of the opinion that prima-facie prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of
depositing
provident
The company examined by us, the company is generally regular in with appropriate authorities undisputed statutory dues including Fund investor education and protection fund, employees state Insurance, Income tax, wealth tax, service tax, sales tax, customs duty, cess and other Material statutory dues applicable to it.
(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, Customs duty, wealth tax, excise duty, service tax and cess, which have not been deposited on account of any dispute.
- (x) In our opinion the accumulated losses of the company at the end of the year are less than fifty percent of its net worth. It has incurred cash losses in the current year aswell as in the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the company has not paid dues to Central Bank against Cash Credits, Term Loan Accounts in view of the pending court proceedings in respect of non acceptance of One Time Settlement by bank as requested by the company. Subject to the above the Company has not defaulted in repayment of dues to financial institution, Bank and Debenture holders at Balance Sheet date.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares. Debentures and other securities.

- Accordingly the provisions of Clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit Fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in Shares, Securities debentures and other investments. Accordingly, the provision of Clause 4(xiv) of the Companies (Auditor's Report) Order is not applicable to the company.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and on the overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4 (xviii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- (xix) According to the information and explanation given to us, during the year the company has not issued any debentures. There fore, the provision of Clause 4 (xix) of Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) According to the information and explanation given to us, the company has not raised any money by public issues during the year. Therefore, the provision of Clause 4 (xx) of Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Chartered Accountants

Sd/-

SURESH KUMAR JAIN

Partner

(M. No.: 018465)

Place: Hyderabad
Date: 01-09-2010

SCHEDULE – 12: NOTES FORMING PART OF ACCOUNTS

1. Significant Account Policies:

- a. General : Financial Statements are prepared under the historical cost convention and in accordance with generally accepted accounting policies.
- b. Fixed Assets : Fixed Assets are stated at cost including expenditure incurred in connection with acquisition and installation thereon.
- c. Depreciation : Depreciation has been provided on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. In respect of additions/ deletions, Depreciation has been provided on pro-rata basis with reference to the month of addition/disposal.
- d. Inventories :
 - 1. Raw Materials : Weighted average cost or net realizable value which ever is Lower.
 - 2. Work In Process : Weighted average cost or net realizable value which ever is Lower.
 - 3. Finished Goods : Weighted average cost or net realizable value which ever is Lower.
- e. Retirement benefit : Contribution to Provident Fund, ESI and Gratuity payable are charged to revenue on accrual basis.
- f. Taxation : Provisions made for Income Tax Liabilities estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and or capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2. Details of Managerial Remuneration:

	Managing Director		Executive Director	
	2009-10	2008-09	2009-10	2008-09
Salary	90,000	90,000	63,600	56,000
Total	90,000	90,000	63,600	56,000

3. Balance of Sundry Debtors, Sundry Creditors, Unsecured Loans and Advances are subject to confirmation/reconciliation.
4. Interest on Term Loan and cash credit account with CBI is not provided. In view of the pending court proceedings for non acceptance of one time settlement application of the company by the bank.
5. The company has not received intimation from the vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to their outstanding amount and interest has not been made.
6. The Company's operations mainly consists of only one segment i.e., Drug formulations and therefore the figures relates to the segment.
7. Related Party Disclosure (as identified by the management) as per accounting standard 18 are given below:
Name of the Parties:
(i).Dr. Ghisulal Jain
(ii) Subhash Jain
(iii) M/s Tejas Labs

NAME OF THE TRANSACTIONS RELATED TO THE PARTY	TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES	
	2009-10	2008-09
Purchases	9,989	176,930
Sales	289,439	170,048
Managerial Remuneration	153,600	146,000

8. Deferred Tax:
Deferred Tax liability consists of:

	2009-10	2008-
09		
Difference in Depreciation-DTL 1704822	1549581	
Others -DTA	9734	3090
Net Deferred Tax Liability 1701732	1539847	

9. Earning per share:
 - i. Amount used as the numerator Profit after tax
(1095002) (1223593)
 - ii. Basic/Weighted average No. of equity shares used
at the denominator 34055000
34055000
 - iii. Nominal value of equity shares 10

iv. Paid up value	33514250
33514250	
v. Basic/Diluted EPS	(0.36)
(0.31)	

10. Additional information pursuant to paragraph 3,4C & 4D of part II of Schedule-VI of the Companies Act, 1956.

UNITS	2009-10	2008-
09		
a. Licensed Capacity	NA	
NA		
b. Installed Capacity		
Ayurvedic formulation Capsules (in lacs)	72	
72		
Allopathic formulation		
Tablets (in lacs)	4680	
4680		
Capsules (in lacs)	360	
360		
Syrup (in ltrs)	8640	
8640		

c. Actual production, Turnover, Opening Stock & Closing Stock of Finished Goods

			Opening Stock		Purchases		Sales		Closing Stock	
SN	Product	Unit	QTY	Value	QTY	Value	QTY	Value	QTY	Value
A.	ALLOPATHIC									
01	Tablets	Lacs	1094	348027	33274	3256319	21778	2514316	11496	742003
02	Capsules	Lacs	334	195037	706	80144	164	2374842	542	59330
	Total		1428	545064	33980	3336463	21952	4889158	12038	801333

			Opening stock	Manufacturing	Sales		Closing Stock
SN	Product	Unit	QTY	QTY	QTY	Value	QTY
	Ayurvedic	No	NIL	19879	19879	278306	NIL

d. Details of Consumption of Raw Materials and Packing Materials

DESCRIPTION	UNIT	31-03-2010		31-03-2009	
		QTY	VALUE	QTY	VALUE
RAW MATERIALS					
Ayurvedic	Kg	100	157082	170	291830

11. The previous figures have been regrouped/ rearranged wherever considered necessary.

CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2010

	2009-10	2008-09
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax	(13.85)	(12.10)
Adjustment for		
Depreciation	7.72	8.050
Financial Charges		0
Interest Income	(0.05)	(2.29)
Adjustment for		
Inventory	21.61	9.08
Debtors	(0.58)	(2.27)
Loans & Advances	4.62	5.03
Current Liabilities & Provisions	(1.18)	(3.78)
Less: Tax paid	(0.13)	(0.10)
Prior Period Adjustments		-
	18.15	
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Decrease in Fixed Assets	0	0.00
Interest Income	0.05	2.29
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
Increase in Share Capital	0	0
Secured Loans	(1.00)	(5.00)
Unsecured Loans	0.00	0
Financial Charges	0	0.00
Cash outflow during the year	17.20	(1.02)
Cash & Equivalent at the beginning of the year	6.21	7.23
Cash & Equivalent at the end of the year	10.79	6.21

As per our report of even date
For LAKSHMINIWAS JAIN
LIMITED

Sd/-
(SURESH KUMAR JAIN)
PARTNER
DIRECTOR
Membership No :018465

On behalf of the Board
For PHARMAIDS PHARMACEUTICALS

Sd/-
(Dr GHISULAL JAIN)
CHAIRMAN & MANAGING

Sd/-
(HASMUKH JAIN)

Place : Hyderabad
Date :01-09-2010

(DIRECTOR)

Balance Sheet And Company's General Business Profile

Registration Details		State Code
01		
Registration No	19671	
Balance Sheet Date	31.03.2010	

Capital raised during the year (amount in Rs. Thousands)

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

Position of mobilization and deployment of funds (amount in Rs. Thousands)

Total Liabilities	46110	Total Assets
46110		

SOURCES OF FUNDS

Paid up Capital	33514	Reserves & Surplus
994		
Secured Loans	7645	Unsecured Loans
2417		
		Deferred Tax Liabilities
1540		

APPLICATIONS OF FUNDS

Net Fixed Assets	9117	Investments
-		
Net Current Assets	24361	Profit and Loss Account
12632		

P10Generic Names of three principal products/services of the company (as per monetary terms)

Item Code No. (ITC CODE)	300410.04	Product Description:	Cold
CC			
Item Code No. (ITC CODE)	300410.03	Product Description:	
Dicloplus			
Item Code No. (ITC CODE)	293500.01	Product Description:	Nimis

For PHARMAIDS PHARMACEUTICALS

LIMITED

Sd/-
(DR. GHISULAL JAIN)
Chairman cum Managing

Director

Sd/-
(HASMUKH JAIN)
Director

Place: Hyderabad

Date: 01.09.2010

ABBREVIATIONS

C M D	Chairman & Managing Director
E D	Executive Director
BSE	Bombay Stock Exchange
HSE	Hyderabad Stock Exchange
NSDL	National Securities and Depository Ltd.,
CDSL	Central Depository and Securities Ltd.,

PHARMAIDS PHARMACEUTICALS LIMITED
Reg. Off: 4-4-211/212/3, 1st Floor, Inderbagh, Sulthan Bazar, Hyderabad – 500 095

ATTENDANCE SLIP

Regd. Folio No:

No.of Shares Held:

Name of the Shareholder

Name of the Proxy

I hereby record my presence at the Twenty first Annual General Meeting of the Company held on 30th September, 2010 at 10.30 am at Andhra Pradesh Chemists & Druggists Association, 5-9-262/1, King Koti, Hyderabad.

Signature of the member / Proxy

NOTE : This form should be signed and handed over at the meeting venue. No duplicate attendance slip will be issued at the meeting hall. You are requested to bring your copy of the Annual Report to the meeting.

PHARMAIDS PHARMACEUTICALS LIMITED
Reg.Off: 4-4-211/212/3, 1st Floor, Inderbagh, Sulthan Bazar, Hyderabad – 500 095

PROXY FORM

Regd. Folio No:

No.of Shares Held:

I/ We _____ of _____

Being a member / members of M/s. Pharmאים Pharmaceuticals Limited hereby appoint _____ as my / our proxy to vote for me/ us on by our behalf of at the Twenty first Annual General Meeting of Company to be held 30th-09-2010 at 10.30 am at Andhra Pradesh Chemists & Druggists Association, 5-9-262/1, King Koti, Hyderabad.

Signature :

Affixe Rs.1/-
Revenue Stamp

Date :

NOTE: The proxy duly completed must be deposited at the Register Office of the Company not less than 48 hours before the time of holding the meeting. A proxy need not be a member.

PLEASE NOTE THAT NO GIFTS WILL BE GIVEN AT THE TIME OF AGM

PAIN MANAGEMENT

DicloMag + Plus
Tabs



Safest

Diclo+plus[®]
Tabs



Fastest

Nimis
Tabs



Smallest

They are different but
TARGET is Smart in Pain Management ...



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