

# Back to Nature



## TWENTY SIXTH ANNUAL REPORT 2014-15



If undelivered please return to :



**Pharmaids  
Pharmaceuticals limited**

Regd. Off.: 4-4-211/212/3,  
1st Floor, Inderbagh, Sultan Bazar,  
Hyderabad - 500095 Telangana  
E-mail : mailpharmaids@yahoo.co.in  
www.pharmaids.com



BOOK-POST

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## BOARD OF DIRECTORS

<b>Dr.Ghisulal Jain</b>	Chairman & Managing Director
<b>Shri Subhash Lalwani</b>	Executive Director
<b>Ms. Seema Jain</b>	Additional Director
<b>Shri Mahendra K. Ranka</b>	Independent Director
<b>Shri M. Sudheer Anand</b>	Independent Director
<b>Shri G. Uday Kumar</b>	Independent Director

### REGISTERED OFFICE

4-4-211/212/3, 1<sup>ST</sup> Floor,  
Inderbagh, Sultan Bazar, Hyderabad-500 095.  
A.P. India E-MAIL [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in)  
WEBSITE [www.pharmaids.com](http://www.pharmaids.com)  
FACTORY Sy. No:533, (v) Kondamadugu  
(M) Bibinagar, Dist, Nalgonda. A.P. India  
Tel No. 9247058492

### AUDITORS

M/s .Rakesh S Jain & Associates  
Chartered Accountants

### LISTING AT

Bombay Stock Exchange Ltd.,

### REGISTERAR & SHARE TRANSFER AGENTS

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

### BANKERS

Vardhaman Mahila Co-op Urban Bank Ltd.  
HDFC Bank Ltd., Lakdi ka Pool  
SBI, Barkatpura

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### PROXY FORM

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

#### Pharmaids Pharmaceuticals Limited

CIN: L52520TG1989PLC009679

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

Phone: 91 40 65599809. Fax: 91 40 27562126.

Email: [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in) Website: [www.pharmaids.com](http://www.pharmaids.com)

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

as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, 29<sup>th</sup> September, 2015 at 11.30 a.m. at Andhra Pradesh Druggists & Chemists Association, 5-9-262/1, King Koti, Hyderabad – 500 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For*	Against*
1.	Adoption of Balance Sheet, Statement of Profit and Loss, for March 31, 2015 Report of the Board of Directors and Auditors thereon		
2.	Re-appointment of Mr. Mahendra Kumar Ranka who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Re-appointment of Mr. Subhash Lalwani who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Ratification of appointment of Rakesh S Jain & Associates, Chartered Accountants as Auditors and fixing their remuneration		
5.	To Appoint Ms Seema Jain as Director		
6.	Adoption of new Articles of Association		
7.	To approve borrowing money(ies) for the business of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013.		
8.	To approve creation of security on the properties of the Company both present and future pursuant to Section 180 (1)(a) of the Companies Act, 2013		
9.	Appointment of Mr. Mahendra Kumar Ranka as an Independent Director		
10.	Appointment of Mr. Sudheer Anand as an Independent Director		
11.	Appointment of Mr. G Uday Kumar as an Independent Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015 Signature of Member \_\_\_\_\_ Signature of Proxy \_\_\_\_\_

**Note:** 1. This form proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.  
2. person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Affix a 15  
paise  
Revenue  
Stamp

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

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

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

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

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

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**E-COMMUNICATION REGISTRATION FORM**

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

Folio No./Dp ID& Client ID .....  
Name of 1<sup>st</sup> Registered Holder .....  
Name of joint Holder(s) .....  
Registered Address .....  
E-mail ID(to be registered) .....

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

Date ..... Signature.....

Note:

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

**NOTICE**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of Pharmaids Pharmaceuticals Limited will be held at Andhra Pradesh Chemists and Druggists Association, 5-9-262/1, King Koti, Hyderabad - 500 001 on Tuesday 29<sup>th</sup> September, 2015 at 11.30 a.m." to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2015 and statement of Profit and Loss for the year ended on that date, the Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Mahendra Kumar Ranka, (DIN: 01268256), who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mr. Subhash Lalwani, (DIN:00405197), who retires by rotation and being eligible, offers himself for re- appointment.
4. To consider and if thought fit, to pass, the following resolution as ordinary resolution:

**"RESOLVED** that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Rakesh S Jain & Associates., Chartered Accountants (Firm Registration No. 010129S), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2017-18 on such remuneration as may be determined by the Board of Directors."

**Special Business:**

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

**"RESOLVED THAT** Ms. Seema Jain (holding DIN: 07183851) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30/03/2015, in terms of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

6. To consider and, if thought fit, to pass 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 and Rules made thereunder, a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as an **Special Resolution**

**"RESOLVED THAT** the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 180 (1)(c) of the Companies Act, 2013 (including any statutory modification or re-enhancement thereof for

the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other firms, bodies corporate, persons notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loan obtained from the Company's Bankers in the ordinary course of business), may, at any time, exceed upto a sum of Rs. 10 crores (Rupees Ten Crores). over and above the aggregate of the then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such money to be borrowed from time to time as to interest, repayment, security or otherwise as they may in their absolute discretion think fit.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty, doubt that may arise in respect of the borrowings(s) aforesaid and further to do all such acts, deeds, and things and to execute documents and writings as may be necessary, proper, desirable or expedite to give effect to this resolution.”

8. To consider and if thought fit, to pass with or without modifications, the following Resolution as an **Special Resolution**

**“RESOLVED THAT** pursuant to Section 180(1)(a ) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgages/ charges/ hypothecation and floating charges (in addition to the existing mortgages / charges / hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or foreign currency loans, Debentures, advances and all other moneys payable by the Company to the lenders concerned, subject, however, to an overall limit of Rs. 10 Crpes (Rupees Ten Crores Only) of loans or advances already obtained or to be obtained from, in any form including by way of subscription to debentures issued or to be issued by the Company to, any financial institution, bank, body corporate, company, insurer or to the general public.”

9. To appoint Mr. Mahendra Kumar Ranka (DIN:01268256) as an independent director and in this regard to consider and if thought fit, to pass, the following resolution as an

**ORDINARY RESOLUTION**

**“RESOLVED THAT** pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualifications of directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Mahendra Kumar Ranka (DIN:01268256) who was appointed as director liable to retire by rotation at last Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office for 4 (four) consecutive years for a term up to the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019.

10. To appoint Mr. M. Sudheer Anand (DIN: 0404917) as an independent director and in this regard to consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**

14.7. In Accordance with the Accounting Standard(AS-28) on “Impairment of Assets” the management during the year carried out exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the management there was no impairment loss on the Fixed assets during the year ended 31<sup>st</sup> March,2015.

14.8. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in schedule II, According the unamortized carrying value is being depreciated / amortized over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1<sup>st</sup> April,2014 have been adjusted in the opening balance of Profit and Loss Account amounting to 3.36lakhs.

**Balance Sheet Abstract And Company's General Business Profile** Additional Information Pursuant to Part IV of Schedule VI of Companies Act, 1956 (as amended)

**I. Registration Details**

Registration No.	19671	State Code	1
Balance Sheet	31st March 2015		

**II.Capital Raised during the year (Amount in Rs. Lacs)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
Reissue of Forfeited Shares	NIL		

**III.Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)**

Total Liabilities	25,227,022	Total Assets	25,227,022
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**Sources of Funds**

Paid-up Capital	33,630,850	Reserves & Surplus	(16,474,122)
Non-current Liabilities	2,683,569	Current Liabilities	5,386,725

**Application of Funds**

Net Fixed Assets	4,629,877	Investments	-
Current Assets	15,910,149	Misc. Expenditure	-

**IV.Performance of the Company (Amount in Rs. Thousands)**

Total Income	18,545,551	Total Expenditure	19,605,843
Profit Before Tax	(1,060,292)	Profit After Tax	(654,873)

Earnings Per Share (In Rs.)	(0.19)	Dividend (%)	NIL
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**V. Generic Name of Principal Product / Service of the Company**

Item Code No. (ITC Code)	Production Description
300410.04	Cold CC
300410.03	Diclo Plus
293500.01	Nimis

For Rakesh S Jain & Associates

Chartered Accountants

Firm Registration Number : 010129S

Sd/-

(B. Ramesh Kumar)

Partner

Membership Number: 200304

**Place: Hyderabad**

Date: 29-05-2015

For and on behalf of the Board

Sd/-

Dr.Ghisulal Jain

Chairman & Managing Diector

Note-14 Notes Forming Part of Accounts

14.1 Details of Managerial Remuneration :

	Managing Director		Executive Director	
	2014-15	2013-14	2014-15	2013-14
Salary	1,50,000	1,50,000	72,000	72,000
Total	1,50,000	1,50,000	72,000	72,000

14.2 Balance of Sundry Debtors, Sundry Creditors, Unsecured Loans and Advances Trade Receivables are subject to confirmation / reconciliation.

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

14.4 Related party disclosures ( as identified by the management) as per accounting standard 18 are given below:

Name of the parties

- |                          |                  |
|--------------------------|------------------|
| Ø Dr. Ghisulal Jain      | Ø Subhash Jain   |
| Ø Abhishek Jain          | Ø Abhilekha Jain |
| Ø M/s Nidhi Health Care  | Ø M/s Tejas Labs |
| Ø M/s The Paras Agencies |                  |

NAME OF THE TRANSACTIONS RELATED TO THE PARTY	TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES	
	2014-15	2013-14
PURCHASES	113,229	549,015
SALES	55,330	949,352
MANAGERIAL REMUNERATION	222,000	222,000
SALARY	140,000	-
LOAN - REPAYMENT	218,000	832,311

14.5 Deferred Tax:

Deferred Tax liability consists of:

	2014-15	2013-14
DTL on Timing Difference on account of Depreciation	617,632	1,023,051
Others - DTA	NIL	NIL
Net Deferred Tax Liability	617,632	1,023,051

14.6 EARNING PER SHARE (EPS)

	2014-15	2013-14
The computation of EPS is set out below:		
<b>Earning</b>		
Net Profit for the period	(655,055)	(3,542,968)
<b>Shares</b>		
Number of Shares at the Beginning of the period	3,405,500	3,405,500
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	3,405,500	3,405,500
Weighted average number of equity shares outstanding during the period	3,405,500	3,405,500
<b>Earning per share of par value Rs. 10/- Basic &amp; Diluted (Rs)</b>	<b>(0.19)</b>	<b>(1.04)</b>

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualifications of directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. M. Sudheer Anand (DIN: 0404917) who was appointed as director liable to retire by rotation at last Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office for 4 (four) consecutive years for a term up to the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019.

11. To appoint Mr. G. Uday Kumar (DIN: 02676772) as an independent director and in this regard to consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualifications of directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. G. Uday Kumar (DIN: 02676772) who was appointed as director liable to retire by rotation at last Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office for 4 (four) consecutive years for a term up to the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019.

By Order of the Board of Directors

Sd/-

Dr. Ghisulal Jain

Chairman and Managing Director

Place:Hyderabad

Date: 14-08-2015

CIN: L52520TG1989PLC009679

Registered Office: 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh,

Sultan Bazar,Hyderabad – 500 095 Email: [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in)

**NOTES: -**

- The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the Special Business under item no 5 to 11 as stated above in annexed hereto.
- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. The proxies should, however, be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
- Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
- Members are requested to notify immediately changes, if any, in their registered addresses to the Company's Registrar and Share Transfer Agents M/s. Venture Capital and Corporate Services Limited, 12-10-167, Bharat Nagar, Hyderabad – 500 018.
- Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.

- f) Mr. Mahendra Kumar Ranka and Mr. Subhash Lalwani –directors retire by rotation and, being eligible, offer for re-appointment at the Annual General Meeting. A brief resume of the said directors is given below.

Name	Mahendra Kumar Ranka	Subhash Lalwani
Directors Identification Number (DIN)	1268256	405197
Age	53years	47 years
Qualification	B.A.,	Graduation
Expertise in Specific Area	Business	Business
Date of first Appointment on the Board of the Company	31-12-2005	20-04-2002
Shareholding in Pharmaids Pharmaceuticals Limited	0	43600
List of Directorship held in other companies	1	-
Membership/Chairmanships of Audit and stake holders relationship committees	-	-

#### PROCESS FOR MEMBERS OPTING FOR E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Securities Depository Limited (CDSL). The detailed procedure to be followed in this regard has been given in Annexure – A to the notice. The members are requested to go through them carefully.

#### ANNEXURE TO THE NOTICE:

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 5:

The Board of Directors at their meeting held on 30<sup>th</sup> March, 2015 had appointed Smt. Seema Jain as an Additional Director of the Company with effect from 30<sup>th</sup> March, 2015.

Under Section 161 of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) read with the Articles of Association of the Company, Smt. Seema Jain, holds office only up to the date of this Annual General Meeting of the Company and is eligible for appointment. A notice in writing has been received from a Member of the Company along with the requisite deposit under Section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Seema Jain as a candidate for the office of a Director.

#### MEMORANDUM OF INTEREST

Dr. Ghisulal Jain and Mr. Subhash Lalwani being related to Smt. Seema Jain are deemed to be concerned and interested in the resolution at Item Nos. 5.

Except the above-mentioned Directors none of the directors of the Company is concerned

	Amount in Rs.	
	As on 31/03/2015	As on 31/03/2014
<b>12. Finance Cost</b>		
Interest	36	67,392
Bank Charges	15,279	13,589
	<b>15,133</b>	<b>80,981</b>
<b>13. Other Expenses</b>		
Advertisement Expenses	95,602	109,278
Analytical Charges	22,992	45,983
Annual listing fees	133,729	38,814
Auditor's Remuneration:		
Audit Fees	15,000	15,000
Other Matters	12,000	12,000
Service Tax	4,574	4,574
Tax Audit Fees	10,000	10,000
Bad Debts	1,497,474	3,469,279
Business Promotion	1,178,636	936,452
Carriage expenses	492,972	434,312
Commission	1,800	59,475
Computer Maintenance	22,055	13,246
Consumables	28,051	42,494
Conveyance	351,408	277,579
Damage & Expiry Goods W/o	64,557	15,921
Directors remuneration	222,000	222,000
Discount	44,111	232,133
Donations	41,063	-
Electricity Charges	72,819	33,567
Factory Maintenance	103,524	97,182
General Expenses	164,073	166,345
Marketing Expenses	96,728	216,227
Postage & Telegram	25,736	24,055
Printing & stationery	97,054	65,015
Product development	220,972	238,696
Professional Charges	111,162	133,658
Professional tax	5,000	-
Rates and Taxes	90,694	6,021
Rent	141,316	131,079
Repairs & Maintenance - Vehicle	24,418	27,138
Repairs & Maintenance - thers	61,253	54,762
Secretarial Expenses	108,298	21,347
Social Responsibility Exp	-	15,590
Telephone Charges	79,515	53,290
Travelling Expenses	389,359	396,261
	<b>6,029,946</b>	<b>7,618,772</b>

PHARMAIDS PHARMCEUTICALS LTD  
Notes to the Accounts for the year ended March 31, 2015

	Amount in Rs.	
	As on 31/03/2015	As on 31/03/2014
<b>7. Long term Loans and Advances</b>		
(Unsecured, considered good unless stated otherwise)		
Advance recoverable in cash or kind	3,263,505	4,271,946
Others:		
Balance with Statutory/Government Authorities	1,423,491	1,517,991
	<b>4,686,996</b>	<b>5,789,937</b>
<b>8. Current Assets</b>		
<b>8.1 Inventory</b>		
Raw Material / Packing Material	334,726	308,761
Work In Process	84,535	141,664
Finished Goods	2,478,688	2,371,465
	<b>2,897,949</b>	<b>2,821,890</b>
<b>8.2. Trade Receivables</b>		
(Unsecured, considered good unless stated otherwise)		
Exceeding six months:		
Considered Good	11,101,549	12,561,115
Others		
Considered Good	-	-
	<b>11,101,549</b>	<b>12,561,115</b>
<b>8.3. Cash and Cash Equivalents</b>		
Balances with Banks:		
On Current accounts	703,805	219,607
On Deposit account		206,253
Cash in Hand	1,206,664	839,096
	<b>1,910,469</b>	<b>1,264,956</b>
<b>8.4. Other Current Assets</b>		
Rent Receivable	-	346,500
	-	<b>346,500</b>
<b>9. Revenue from Operations</b>		
Sales	17,304,047	14,052,426
	<b>17,304,047</b>	<b>14,052,426</b>
<b>10. Other Income</b>		
Interest Income	4,004	8,710
Other Non Operating Income:	1,237,500	1,575,000
(Includes Rent/lease of Rs.12.37 lakh (previous year Rs. 15.75)	<b>1,241,504</b>	<b>1,583,710</b>
<b>11. Employee Benefits Expenses</b>		
Salaries and Wages	1,755,033	909,255
Contribution to Provident and Other Funds	61,315	39,659
Staff Welfare expenses	4,012	6,047
	<b>1,820,360</b>	<b>954,961</b>

or interested in this resolution.

**ITEM NO 6.**

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956.

With the introduction of the Companies Act, 2013, it is proposed to amend the existing Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed there under.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day, up to the date of the Annual General Meeting and during the Annual General Meeting. The proposed draft Articles of Association is available on the Company's website at [www.pharmaids.com](http://www.pharmaids.com) for perusal by the shareholders.

None of the Directors or Key Managerial Personnel and the relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Special Resolution set out at Item no. 6 for the approval of Members.

**Item No. 7 and 8**

**Increase in Borrowing Limits**

In terms of the provisions of Sections 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company, cannot except with the consent of the Company in general meeting; borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves that is to say reserves not set apart for any specific purpose. Section 180(1)(c) of the Companies Act, 2013 inter alia provides that the Board of Directors can borrow in excess of the paid up capital and its free reserve/s if authorized by members, hence the resolution is proposed for approval.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) read with Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 & 5 of the Notice. The Board recommends these resolutions for approval by the members of the Company.

None of the Directors is in any way concerned or interest in the Resolution.

**Item No. 9,10 and 11**

Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar are Independent Directors of the Company appointed pursuant to the requirements of erstwhile Clause 49 of the Listing Agreement. Their period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

Section 149(10) of the Act, which is effective from April 1, 2014, provides that an independent director shall hold office for a term of up to five consecutive years on the Board. Section 149(13) of the Act states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of independent directors.

It is proposed to appoint Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar as independent directors under section 149 of the Act and clause 49 of the Listing Agreement to hold office for 4 (Four) consecutive years for a term up to the conclusion of 30th Annual General Meeting of the company in the calendar year 2019.

Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar for the office of Independent Directors of the Company.

The Company has also received declarations from Mr. Mahendra Kumar Ranka, Mr. M.

Sudheer Anand and Mr. G. Uday Kumar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Brief resume of Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement is annexed to the Notice.

Copy of draft letters of appointment of Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar setting out the terms and conditions are available for inspection by the members at the registered office of the Company.

The Board considers that continued association of Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges.

Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar are interested in the resolutions set out respectively at Item Nos.9, 10 and 11 of the Notice with regard to their respective appointments.

The relatives of Mr. Mahendra Kumar Ranka, Mr. M. Sudheer Anand and Mr. G. Uday Kumar may be deemed to be interested in the resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 9, 10 and 11 of the Notice for approval by the shareholders.

Name	Mahendra Kumar Ranka	M.Sudheer Anand	G.Uday Kumar
Directors Identification Number (DIN)	1268256	00404917	02676772
Age	53 yrs	41 yrs	36 yrs
Qualification	B.A.,	C.A	B.Pharm.,
Date of first Appointment on the Board of the Company	31-12-2005	27-03-2006	30-04-2009
Shareholding in Pharmajids Pharmaceuticals Limited	Nil	Nil	Nil
List of Directorship held in other companies	1	-	-
Membership/Chairmanships of Audit and stake holders relationship committees	-	-	-

By Order of the Board of Directors  
Sd/-

Date: 14-8-2015  
Place:Hyderabad

(Dr. Ghisulal Jain)  
Chairman & Managing Director

CIN: L52520TG1989PLC009679  
Registered Office:4-4-211/212/3, 1<sup>st</sup> Floor,Inderbagh,  
Sultan Bazar,Hyderabad – 500 095 Email: mailpharmajids@yahoo.co.in

DESCRIPTION	As at 01.04.2014	Gross Block			Depreciation			Net Block	
		As at 31.03.2015	As at 01.04.2014	As at 31.03.2015	Retained earnings adjustment (LifeCompleted)	For the Year	Deletions	As at 31.03.2015	As at 31.03.2014
Land	201,852	310,052	-	-	-	-	-	310,052	201,852
Buildings	5,996,699	5,996,699	3,694,017	4,127,238	-	-	4,127,238	1,869,461	2,302,682
Electrical Installations	258,257	258,257	206,669	8,409	40,175	-	255,253	3,004	51,588
Furniture and Fixture	761,224	761,224	761,224	-	-	-	761,224	-	-
Plant and Machinery	12,256,809	12,256,809	8,716,361	287,841	834,221	-	9,838,423	2,418,386	3,540,448
Computer	733,603	772,053	677,473	-	67,240	-	744,713	27,340	56,130
Printer	7,250	10,349	3,133	4,117	1,590	-	8,840	1,509	4,117
Air Conditioner	17,000	17,000	1,729	-	15,147	-	16,876	124	15,271
Type Writer	14,376	14,376	10,257	4,119	-	-	14,376	-	4,119
Office Equipment	13,500	13,500	2,088	-	11,411	-	13,499	1	11,412
TOTAL	20,260,570	20,410,319	14,072,951	336,252	1,371,239	-	15,780,442	4,629,877	6,187,619
Previous Year	21,155,390	21,214,040	14,225,839	-	800,582	-	15,026,421	6,187,619	6,929,551

Amounts in Rs.

Notes to the Accounts for the year ended March 31, 2015

	Amount in Rs.	
	As at 31/03/2015	As at 31/03/2014
<b>3 Reserves and Surplus</b>		
Capital Subsidy		
As per last Balance Sheet	993,750	993,750
Profit & Loss Account		
As per last Balance Sheet	(16,476,747)	(12,933,779)
Add: Profit / (Loss) for the year	(655,055)	(3,542,968)
Less: Depreciation in respect of assets whose useful life is over	(336,252)	-
	(16,474,304)	(15,482,997)
<b>4 Non-Current Liabilities</b>		
<b>4.1 Long Term Borrowings (Unsecured), Deferred Payment Liabilities</b>		
Sales Tax Deferral (refer note)	1,279,615	2,381,434
Deposits		
Rent Deposit Payable	786,322	1,000,000
<b>Total</b>	2,065,937	3,381,434

**NOTES:**

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

**5. Current Liabilities**

**5.1. Short Term Borrowings**

**Unsecured**

Loans from Directors and Relatives	-	218,000
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**Deferred Payment Liabilities**

<b>Sales Tax Deferral (Refer Note)</b>	<b>901,819</b>	<b>-</b>
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<b>Total</b>	<b>901,819</b>	<b>218,000</b>
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**5.2. Trade Payables**

Trade Payables	4,094,947	5,276,574
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<b>Total</b>	<b>4,094,947</b>	<b>5,276,574</b>
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Note: Out of the said amount NIL amount pertains to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information has been given in respect of such vendors to the extent they could be identified as Micro, Small enterprises on the basis of information available with the company on records.

**5.3. Other Current Liabilities**

Other Payables	389,959	925,103
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	389,959	925,103
--	---------	---------

**Annexure A to the notice  
Instructions for the voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuring Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 26<sup>th</sup> September, 2015 (9:00am) and ends on 28<sup>th</sup> September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from CDSL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.CDSL.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of " Pharmaids Pharmaceuticals Limited ".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail with a copy marked to evoting @cdsl.com
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants (s) or requesting physical copy :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :  
**EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.cdsl.com](http://www.evoting.cdsl.com).
- VII. If you are already registered with CDSL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication (s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2015, may obtain the login ID and password by sending a request at [evoting@cdsl.com](mailto:evoting@cdsl.com) or RTA.  
 However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.cdsl.com](http://www.evoting.cdsl.com).
- XI. 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 /voting at the AGM through ballot paper.
- XII. Mr. Ajay Kishen ,Company Secretary (FCS No. 6298) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on then resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" / "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, whoshall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.pharmaids.com](http://www.pharmaids.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited / NSE Limited, Mumbai.

Deferred Tax is recognized, Subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed Depreciation and carry forward of losses are not recognized unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

#### 1.11 Provisions:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Notes to the Accounts for the year ended March 31, 2015

	Notes	Amount in Rs.		
		As on 31/03/2015	As on 31/03/2014	
2 Share Capital Authorised				
40,00,000 Equity Shares of Rs.10/- each		40,000,000	40,000,000	
		<b>40,000,000</b>	<b>40,000,000</b>	
Issued, Subscribed and Paid-up				
34,05,500 Equity Shares of Rs.10/- each fully paid up.		34,055,000	34,055,000	
Less: Calls in arrears		424,150	424,150	
		<b>33,630,850</b>	<b>33,630,850</b>	
		<b>31/03/2015</b>	<b>31/03/2014</b>	
a. Reconciliation of the number of shares outstanding	No. of	Amount	No. of	Amount
	Shares	Shares	Shares	Shares
<u>Equity shares</u>				
Number of equity shares at the beginning of the year	3,405,500	34,055,000	3,405,500	34,055,000
Equity shares issued during the year	-	-	-	-
<b>Less Shares bought back during the year</b>	-	-	-	-
Number of equity shares at the end of the Year	<b>3,405,500</b>	<b>34,055,000</b>	<b>3,405,500</b>	<b>34,055,000</b>

### 1.3 Fixed Assets:

Fixed Assets are stated at cost of acquisition. Expenditure which is of capital nature is capitalized. Such expenditure comprises of purchase price, Freight and any directly attributable cost of bringing the assets to their working condition for intended use.

### 1.4 Depreciation:

Depreciation is allocated over the useful life of an asset as specified in Schedule II of Companies Act 2013 on Written down value method.

### 1.5 Inventories:

Inventories are valued as under:

- Raw Materials: Weighted average cost or net realizable value, whichever is lower.
- Work In process: Weighted average cost or net realizable value, whichever is lower.
- Finished Goods: Weighted average cost or net realizable value, whichever is lower.

### 1.6 Revenue Recognition:

Revenue from operations includes sales that are recognized when the property in the goods is transferred and are recorded net of trade discounts, rebates. The revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection.

### 1.7 Retirement Benefits for Employees:

Contribution to Provident Fund and ESI are charged to revenue on accrual basis.

### 1.8 Earning per Share:

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholder by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares in to equity shares.

### 1.9 Impairment of Assets:

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exist, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of accounts. The impairment loss recognised in the prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

### 1.10 Taxes on Income:

Income tax liability for the year is calculated in accordance with the relevant tax laws and regulations applicable to the company.

## DIRECTOR'S REPORT

To  
The Members,  
**DIRECTORS REPORT**

The Directors have pleasure in presenting the 26<sup>th</sup> Annual Report of the Company, together with the financial statements, for the year ended March 31, 2015.

### Financial Results

(Rs. in Lakhs)

PARTICULARS	2014-15	2013-14
Sales	173.04	140.52
Other Income	12.41	15.84
Total Income	185.45	156.36
Total expenses other than interest	182.35	184.96
Profit before Depreciation	(3.10)	(28.60)
Less: Depreciation	13.71	8.00
Differed Tax	4.05	1.17
Profit (loss) for the year	(6.55)	(35.42)
Add : Profit/(Loss) b/f from earlier years	(164.77)	(129.34)
Profit/ Loss carried to Balance sheet	(171.31)	(164.77)

### Company Performance

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

### Dividend

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

### Fixed Deposits

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

### Director's Responsibility Statement

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed.

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

#### Directors

Mr. Mahendra Kumar Ranka and Mr. Subhash Lalwani, Directors retire by rotation and, being eligible, offers himself for re appointment. The Directors recommend Mr. Mahendra Kumar Ranka and Mr. Subhash Lalwani for re-appointment.

The Board recommends the appointment of Mr. Mahendra Kumar Ranka, Mr. G Uday Kumar and Mr. M Sudheer Anand as independent directors under section 149 of the Companies Act, 2013 and clause 49 of the listing agreement in the ensuing A.G.M. to hold office for 4 (Four) consecutive years i.e. for a term up to the conclusion of Annual General Meeting of the company in the calendar year 2018.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit,

#### Remuneration Policy

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### Nature of business

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

#### Auditors

M/s.Rakesh S Jain & Associates were appointed as Statutory Auditors of our Company at the last Annual General Meeting held on Monday 29<sup>th</sup> September, 2014 for a term of three

### PHARMAIDS PHARMCEUTICALS LTD CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015

	2014-15	2013-14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(1,060,474)	(3,660,454)
Adjustment for		
<i>Depreciation</i>	1,371,239	800,582
<i>Interest Expenditure</i>	36	67,392
<i>Interest Income</i>	(4,004)	(8,710)
<b>Adjustment for</b>		
Inventory	(76,059)	(577,854)
Debtors	1,459,566	3,234,369
Loans & Advances	1,102,941	(494,708)
Accrued Rent	346,500	(205,500)
Current Liabilities & Provisions	(1,032,953)	1,659,425
Less: Tax paid	-	-
<b>Cash Flow From Operating Activities</b>	<b>2,106,792</b>	<b>814,542</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase in Fixed Assets	(149,749)	(58,650)
Interest Income	4,004	8,710
Cash Flow From Investing Activities	(145,745)	(49,940)
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Secured Loans	(1,315,497)	-
Unsecured Loans	-	(832,311)
Interest Expenditure	(36)	(67,392)
Cash Flow From Investing Activities	(1,315,533)	(899,703)
Cash outflow during the year	645,513	(135,101)
Cash & Equivalent at the beginning of the year	1,264,956	1,400,056
<b>Cash &amp; Equivalent at the end of the year</b>	<b>1,910,469</b>	<b>1,264,956</b>

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Accounting:

Financial Statements are prepared under the historical cost convention .

#### 1.2 Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimate and assumption to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

PHARMAIDS PHARMCEUTICALS LTD			
Statement of Profit and Loss for the year ended March 31,2015			
Amount in Rs.			
	Notes	As on 31/03/2015	As on 31/03/2014
<b>Revenue</b>			
Revenue from Operations	9	17,304,047	14,052,426
Other Income	10	1,241,504	1,583,710
<b>Total Revenue</b>		<b>18,545,551</b>	<b>15,636,136</b>
<b>Expenses</b>			
(Increase) /Decrease in stock		(50,094)	(552,477)
Cost of material consumed		10,419,258	10,393,771
Employee Benefits expense	11	1,820,360	954,961
Finance Costs	12	15,315	80,981
Depreciation		1,371,239	800,582
Other expenses	13	6,029,946	7,618,772
<b>Total Expenses</b>		<b>19,606,025</b>	<b>19,296,590</b>
<b>Profit before Exceptional, Extraordinary items &amp; Taxation</b>		<b>(1,060,474)</b>	<b>(3,660,454)</b>
Exceptional Items		-	-
<b>Profit before Extraordinary items &amp; Taxation</b>		<b>(1,060,474)</b>	<b>(3,660,454)</b>
Extra ordinary items		-	-
Prior Period Items		-	-
Profit before Taxation		<b>(1,060,474)</b>	<b>(3,660,454)</b>
Tax Expense:			
Current Tax		-	-
Deferred Tax Charge		(405,419)	(117,486)
Profit/(Loss) for the period from continuing operations		(655,055)	(3,542,968)
Profit/ (Loss) from discontinuing operations	-	-	-
Tax expense of discontinuing operations	-	-	-
<b>Profit/(Loss) from discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
Profit for the period		<b>(655,055)</b>	<b>(3,542,968)</b>
Basic / Diluted Earnings Per Share (Face value of Rs.10 each)		(0.19)	(1.04)
<b>Summary of significant accounting policies 1</b>			

The accompanying notes are an integral part of the financials statements.

This is the Statement of Profit and Loss Account referred to in our report of even date

**For Rakesh Jain & Associates** For and on behalf of the Board

Chartered Accountants  
Firm Registration Number: 010129S

Sd/- (B.Ramesh Kumar) Partner	Sd/- Dr. Ghisulal Jain Chairman & Managing Director	Sd/- Subhash Lalwani Director
-------------------------------------	---	-------------------------------------

Membership Number: No: 200304

Place: Hyderabad

Date : 29.05.2015

consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

#### Auditors' Report

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks.

#### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Out go

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

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

#### Secretarial Audit

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Ajay Kishan & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B"

#### Secretarial Audit Report

Certain observations made in the report with regard to non filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are complied to the fullest extent.

#### Extract of Annual Return

The extract of Annual Return as on March 31, 2015 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as 'Annexure - C' and forms part of this Report.

#### Number of Meetings of the Board

During the Financial Year 2014-15, 5 (five) number of Board meetings were held. For details thereof kindly refer to the section 'Board of Directors- Number of Board Meetings', in the Corporate Governance Report.

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

The Company has not given any loans provided guarantee of made any investments during the year 2014-2015

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

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

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

Your attention is drawn to the Related Party disclosures set out in Note no. 51 of the Standalone 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.

**Subsidiary Companies, Associates and Joint Venture Companies**

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

**Internal Control Systems and Their Adequacy**

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

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

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

**Industrial Relations**

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

**Business Risk Management**

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

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

**PHARMAIDS PHARMCEUTICALS LTD  
Balance Sheet as at March 31, 2015**

	Notes	Amount in Rs.	
		As on 31/03/2015	As on 31/03/2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	33,630,850	33,630,850
Reserves and Surplus	3	(16,474,304)	(15,482,997)
<b>Non-current Liabilities</b>			
Long Term Borrowings	4.1	2,065,937	3,381,434
Deferred Tax Liability (Net)		617,632	1,023,051
<b>Current Liabilities</b>			
Short term Borrowings	5.1	901,819	218,000
Trade Payables	5.2	4,094,947	5,276,574
Other Current Liabilities	5.3	389,959	925,103
<b>TOTAL</b>		<b>25,226,840</b>	<b>28,972,016</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	6	4,629,877	6,187,619
Long term Loans and advances	7	4,686,996	5,789,937
<b>Current Assets</b>			
Inventory	8.1	2,897,949	2,821,890
Trade Receivables	8.2	11,101,549	12,561,115
Cash and Cash Equivalents	8.3	1,910,469	1,264,956
Other Current Assets	8.4	-	346,500
<b>TOTAL</b>		<b>25,226,840</b>	<b>28,972,016</b>
<b>Summary of significant accounting policies</b>	1		
<b>Notes on Financial statements</b>	14		
This is the Balance Sheet referred to in our report of even date			
<b>For Rakesh S Jain &amp; Associates</b>		For and on behalf of the Board	
Chartered Accountants			
Firm Registration Number: 010129S			
Sd/-	Sd/-	Sd/-	
(B.Ramesh Kumar)	Dr. Ghisulal Jain	Subhash Lalwani	
Partner	Chairman & Managing Director	Director	
Membership Number: No: 200304			
Place: Hyderabad			
Date : 29.05.2015			

- vi. a) The Company is generally regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess were in arrears as at 31<sup>st</sup> March 2015 for a period more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.
- d) In our opinion, there are no amounts required to be transferred to the investor education and protection fund by the Company.
- vii. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year .
- viii. According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the Balance sheet date.
- ix. According to the information and explanations given to us, The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- x. In our opinion and according to the information and explanations given to us, the company has not raised any term loans during the year.
- xi. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

Date: 29-5-2015  
Place:Hyderabad

For Rakesh S Jain & Associates  
Chartered Accountants  
FRN : 010129S  
Sd/-  
**(B.Ramesh Kumar)**  
Partner  
M.No.: 200304

#### **Corporate Governance and Management Discussion & Analysis Reports**

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

#### **Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2015 and 14-08-2015 (date of the Report)**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report (14-08-2015).

#### **Audit committee**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

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

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

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

#### **Listing Arrangement**

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd., (B S E). The listing fees, for the year 2015-16 has been paid to the Exchange.

#### **Corporate Social Responsibility**

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

#### **Acknowledgements**

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

By Order of the Board  
Sd/-

Place: Hyderabad  
Date: 14-08-2015

(Dr.Ghisulal Jain)  
Chairman& Managing Director

#### **ANNEXURE 'A' TO THE DIRECTOR'S REPORT**

Information under section 217(l) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 and forming a part of Directors' Report

#### **Conservation of Energy**

The Company is striving to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. The adoption of the above helps to control the proportionate increase in total energy usage consequent to overall increase in production. The total energy consumption is given as perform-As below:

**FORM - A** (SEE RULE 2) Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	2014-15	2013-14
<b>A. Power &amp; Fuel consumption</b>		
ELECTRICITY:		
1. Purchase		
Total Units (KWH)	3558	1123
Total amount (Rs.)	33340	10515
Rate per unit in Rs.	9.37	9.37
2. Own Captive Generation through	-	-
Diesel Generator	-	-
Unit (KWH)	-	-
Unit per Ltd.,	-	-
Cost per Unit (Rs.)	-	-
<b>B . Consumption per unit of production Electricity (unit/kg)</b>	NA	NA

**FORM B** (See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption (R&D)

A. Research and Development (R&D)	Not Applicable	
B. Technology absorption, adoption and innovation	Not Applicable	
C. Foreign Exchange Earnings and Outgo	Amount in Rs.	Amount in Rs.
Earnings	Nil	Nil
Outgo	Nil	Nil

By Order of the Board of Directors  
Sd/-

(Dr. Ghisulal Jain)

Chairman & Manging Director

Date: 14-8-2015

Place:Hyderabad

CIN: L52520TG1989PLC009679  
Registered Office 4-4-211/212/3,  
1<sup>st</sup> Floor, Inderbagh,  
Sultan Bazar,Hyderabad 500 095.  
Email: mailpharmaids@yahoo.co.in

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date: 29-5-2015  
Place:Hyderabad

For Rakesh S Jain & Associates

Chartered Accountants

FRN : 010129S

Sd/-

**(B.Ramesh Kumar)**

Partner

M.No.: 200304

**Annexure referred to in paragraph 1 of our report of even date:**

**Pharmaids Pharmaceuticals Limited**

The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets. As explained to us, the fixed assets have been physically verified by the management according to the phased program designed to cover all the fixed assets over the year. In respect of fixed assets verified according to this program, which we consider reasonable, no material discrepancies were noticed on such verification.

- i. a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures explained to us, which are followed by the management for physical verification of inventories, are in our opinion reasonable and adequate in relation to the size of the company and nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- ii. According to the information and explanations given to us, The Company has not granted any Loans to any of the parties covered in the register maintained under section 189 of the Act.
- iii. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and Services. We have not observed any major weakness in the internal control system during the course of the audit.
- iv. The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- v. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government of India under Section 148 (1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its Loss and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure a statement on 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 account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - 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 written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the other matters included in the Auditor's Report and in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

## **ANNEXURE - B**

### **SECRETARIAL AUDIT REPORT**

#### **For The Financial Year Ended On 31st March, 2015**

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

To,  
The Members,  
Pharmaids Pharmaceuticals Limited,  
Hyderabad.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, i hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Pharmaids Pharmaceuticals Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Not applicable to the company during the Audit period].
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable to the company during the Audit period]
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable to the company during the Audit period].
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable to the company during the Audit period].
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: [Not applicable to the company during the Audit period] and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable to the company during the Audit period].
- (vi) Other laws applicable to the Company as per the representations made by the Management.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that,

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

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

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

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

Place:Hyderabad  
Date: 14-08-2015

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

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

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**Pharmaids Pharmaceuticals Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Pharmaids Pharmaceuticals Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures

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

We, Dr.Ghisulal Jain, Chairman and Managing Director and Mrs. R.M.Bhavani Manager, Finance & Accounts of M/S.Pharmaids 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 act or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's Affairs 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.

Place: Hyderabad  
Date: 14-08-2015

Sd/-  
Dr.Ghisulal Jain  
Chairman & Managing Director

Sd/-  
(Mrs.Bhavani)  
Manager (F&A)

**'ANNEXURE A'**

To,  
The Members,  
Pharmaids Pharmaceuticals Limited  
Hyderabad

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place:Hyderabad  
Date: 14-08-2015

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

**ANNEXURE C**  
**Form No. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2015**

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

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	MANUFACTURING OF AYURVEDIC MEDICINES	3043	13 %
2	TRADING OF ALLOPATHIC MEDICINES	6150	87 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

**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 29<sup>th</sup> 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", 2015, 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.

By Order of the Board of Directors  
Sd/-

Date: 14-8-2015  
Place:Hyderabad

(Dr. Ghisulal Jain)  
Chairman & Managing Director

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

To  
The Members  
PHARMAIDS PHARMACEUTICALS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Pharmaids Pharmaceuticals Limited for the year ended 31<sup>st</sup> March 2015 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 31<sup>st</sup> March, 2015 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.

Date: 14-8-2015  
Place:Hyderabad

For Rakesh S Jain & Associates  
Chartered Accountants  
FRN : 010129S  
Sd/-

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

f) Distribution of shareholding as on March 31, 2015. Share Holding Pattern:

SHAREHOLDING PATTERN AS ON 31" MARCH 2015

Sl. No	Category	No.of Shares	% of Shareholding
1.	Promoters	249614	7.33
2.	Mutual Funds and UTI	0	0
3.	Banks, Financial Institution, Insurance Companies	0	0
4.	Private Corporate Bodies	90160	2.65
5.	Indian Public	3030145	89.07
6.	NRIs/OCBs	35581	0.95
	Total	3405500	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31" MARCH 2015:

Share or debenture holding of Nominal value of ₹.	Share/Debenture Holders Number % to		Shares / Debenture Amount In \ % of	
	(1)	(2)	(3)	(4) (5)
1 - 5000	3518	76.06	8,754,330	25.71
5001 - 10000	642	13.88	5,493,120	16.13
10001 - 20000	228	4.93	3,575,450	10.50
20001 - 30000	85	1.84	2,242,650	6.59
30001 - 40000	26	0.56	936,800	2.75
40001 - 50000	27	0.58	1,307,060	3.84
50001-100000	59	1.28	4,293,360	12.61
100001 - Above	40	0.86	7,452,230	21.88
TOTAL	4625	100.00	34,055,000	100.00

g) Shares held in physical and dematerialized form:

As on March 31, 2015, 69.02 % of shares were held in dematerialized form and the rest in physical form.

h) Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity.

i) Plant Location : Sy. No:533, (v) Kondamadugu  
(M) Bibinagar, Dist, Nalgonda. Telangana. India  
Tel No. 9247058492

j) Address for correspondence : 4-4-211/212/3,1<sup>ST</sup>Floor, Inderbagh, Sultan Bazar,  
Hyderabad-500 095. Telangana. India

k) Shares held in electronic form

Shareholders holding shares in the electronic form may give instruction regarding bank details, which they wish to incorporate on their dividend warrants to their depository participants. As per the regulations of NSDL and CDSL the company is required to print the bank details on the dividend warrants, as furnished by these depositories to the Company.

8. Disclosures:

The company has not entered into any transaction of a material nature with the Promoters, the Directors or the Management, their relatives etc. that may have any potential conflict with the interests of the company.

IV.SHARE HOLDING PATTERN  
(Equity Share Capital Breakup as percentage of Total Equity)  
i)Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2014)				No. of Shares held at the end of the year (as on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	2392790	0	239279	7.03	249614	0	249614	7.33	+ 0.30
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp	—	—	—	—	—	—	—	—	—
e) Banks / FI's	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub Total (A) (1)</b>	<b>239279</b>	<b>0</b>	<b>239279</b>	<b>7.03</b>	<b>249614</b>	<b>0</b>	<b>249614</b>	<b>7.33</b>	<b>+ 0.30</b>
(2) Foreign	—	—	—	—	—	—	—	—	—
a) NRI – Individuals	—	—	—	—	—	—	—	—	—
b) Other – Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub Total (A) (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Shareholding of Promoter (A)=(A)(1) + (A)(2)</b>	<b>239279</b>	<b>0</b>	<b>239279</b>	<b>7.03</b>	<b>249614</b>	<b>0</b>	<b>249614</b>	<b>7.33</b>	<b>+ 0.30</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt (s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Fund	—	—	—	—	—	—	—	—	—
i) Others	—	—	—	—	—	—	—	—	—
<b>Sub Total (B) (1)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>2. Non Institutions</b>									
a) Bodies Corporate									
i) Indian	101245	1000	102245	3.00	89160	1000	90160	2.65	—0.35
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	1668959	847776	2516735	73.91	1675253	845876	2521129	74.014	+ 0.1
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	324945	208175	533120	15.65	303841	208175	512016	15.03	-0.62
c) Others									
i) Clearing Members	6892	0	6892	0.20	25352	0	25352	0.74	+ 0.54
ii) Non Resident Individuals	7229	0	7229	0.21	7229	0	7229	0.21	—
<b>Sub Total (B) (2)</b>	<b>2109270</b>	<b>1056951</b>	<b>3166221</b>	<b>92.97</b>	<b>2100835</b>	<b>1055051</b>	<b>3155886</b>	<b>92.67</b>	<b>-0.30</b>
<b>Total Public Shareholding (B) = (B)(1) + (B) (2)</b>	<b>2109270</b>	<b>1056951</b>	<b>3166221</b>	<b>92.97</b>	<b>2100835</b>	<b>1055051</b>	<b>3155886</b>	<b>92.67</b>	<b>-0.30</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>									
<b>GRAND TOTAL (A+B+C)</b>	<b>2348549</b>	<b>1056951</b>	<b>3405500</b>	<b>100</b>	<b>2350449</b>	<b>1055051</b>	<b>3405500</b>	<b>100</b>	<b>—</b>

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2014)			Share holding at the end of the year (as on 31-03-2015)			%change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	MOHD RAFEEQ	7200	0.21	—	7200	0.21	—	—
2	KANT RAO	7300	0.21	—	7300	0.21	—	—
3	B VENKATA SWAMY	5000	0.15	—	5000	0.15	—	—
4	GHISULAL R JAIN	1500	0.04	—	1500	0.04	—	—
5	PRASHANT H DAVE	10459	0.31	—	10459	0.31	—	—
6	MADHUKUMARI BHARAT KITAWAT	1000	0.03	—	1000	0.03	—	—
7	MOHINI KHADRIA	6000	0.53	—	6000	0.53	—	—
8	GHISULAL JAIN	18030	0.53	—	18030	0.53	—	—
9	VEENA LAL WANI	15645	0.46	—	15645	0.46	—	—
10	MANJULA TEJRAJ SURANA TEJRAJ DEVICHAND SURANA	1200	0.04	—	1200	0.04	—	—
11	BABULAL JAIN	6321	0.19	—	6321	0.19	—	—
12	POOJA H	12010	0.35	—	12010	0.35	—	—
13	SUBHASH B LAL WANI	16400	0.48	—	16400	0.48	—	—
14	SURESH KUMAR	1000	0.03	—	1000	0.03	—	—
15	PUSHPA DAVE HARIPRASAD DAVE	5357	0.16	—	5357	0.16	—	—
16	UMADEVI BABULAL JAIN	5452	0.16	—	5452	0.16	—	—
17	UTTAM P JAIN	1000	0.03	—	1000	0.03	—	—
18	UPPDESH KUMAR	779	0.02	—	779	0.02	—	—
19	RANGRAJ JAIN	11001	0.32	—	28511	0.84	—	+ 0.52
20	ASHA SHAILESH JAIN SHAILESH H JAIN	1000	0.03	—	1000	0.03	—	—
21	ABHILEKHA JAIN	40854	1.20	—	40854	1.20	—	—
22	SUREKHA PRASHANT DAVE	8200	0.24	—	8200	0.24	—	—
23	ABHISHEK JAIN	14651	0.43	—	14651	0.43	—	—
24	SATISH CHAND	14600	0.43	—	14600	0.43	—	—
25	BHAWANI SINGH RAJAWAT	1000	0.03	—	1000	0.03	—	—
26	JAYSHREE SANJAY PATNI SANJAY BIRDICHAND PATNI	18075	0.53	—	18075	0.53	—	—
27	B VENKATA SWAMY	1070	0.03	—	1070	0.03	—	—
28	JAYANT KUMAR TREHAN	7175	0.21	—	—	—	—	- 0.21
	Total	239279	7.03	—	249614	7.33	—	+ 0.30

**e. Postal Ballot:**

For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

**7. Additional shareholders information :**

**a) Annual General Meeting**

Date: 29-09-2015

Venue: APCDA, K.Koti, Hyderabad.

Time: 11.30A.M

**b) Financial Calendar**

Financial Year: April 01 to March 31 for the financial year 2015-16, the tentative dates for declaration of Quarterly unaudited results will be by 1Q 14-08-2015, 2Q 14-11-2015, 3Q 15-02-2016 and 4Q 14-05-2016

**c) Book Closure:**

The register of members and share transfer books of the company shall remain closed from 23.9.2015 to 29.09.2015. (both days inclusive) for payment of dividend.

**d) Listing in stock exchanges and stock codes**

The names of stock exchanges at which the equity shares are listed and respective stock codes are as under :

**Name of the stock Exchanges Stock Code No.**

The Bombay stock Exchange: 524572

The ISN number allotted to the company for demat of shares are as under.

**NSDL : INE117D01018**

**CDSL : INE117D01018**

**e) Stock data:**

High/Low of Market price of Company's equity shares traded on the **Bombay Stock Exchange Ltd.** during the financial year ended on March 31, 2015 was as follows:

Month	High	Low
Apr',14	2.81	2.49
May,14	2.79	2.24
Jun'14	4.36	2.33
Jul' 14	4.21	3.94
Aug'14	4.00	3.41
Sep' 14	4.00	3.10
Oct' 14	4.09	2.77
Nov 14	3.36	2.54
Dec' 14	2.56	2.05
Jan' 15	3.66	2.15
Feb' 15	3.86	3.26
Mar' 15	3.11	2.96

3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

#### 4. CODE OF CONDUCT

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2011, the board has approved the 'Code of Conduct for Prevention of Insider Trading' and authorized the Audit Committee to implement and monitor the various requirements as set out in the Code.

#### 5. WHISTLE BLOWER POLICY

Pursuant to clause 49 of the listing agreement, the Company has put in place the 'Whistle Blower Policy' duly approved by the Board. Further, it is hereby affirmed that the Company has not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and that the Company has provided protection to 'Whistle Blower Policy' from unfair termination and other unfair or prejudicial employment practices.

#### 6. SHAREHOLDERS:

##### a. (i) Means of Communication :

The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular news paper viz. "Praja shakti" and one English news paper viz. "The Indian Mail". Also they are uploaded on the company's website [www.pharmaids.com](http://www.pharmaids.com).

The results are published in accordance with the guidelines of the Stock Exchanges.

(ii) In line with the existing provisions of the Listing Agreement, the Company has created a separate e-mail address viz. [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in) to receive complaints and grievances of the investors.

b. Share Transfers Agents: M/s. Venture Capital & Corporate Services Ltd., 12-10 167, Bharat Nagar, Hyderabad 500018.

##### c. Share Transfer System:

All physical share transfers are effected within 15 days of lodgment, subject to the documents being in order. The Board has delegated the authority for approval of transfer, transmission etc. to a committee comprising of two Non Executive Directors and one executive director. A summary of transfer/transmission of shares so approved by the committee is placed before the Board.

##### d. General Body Meetings :

Details of last three Annual General Meetings are as under.

Financial Year	Date	Time	Venue
2011-2012	29-09-2012	10.30 A.M	APCDA, K.Koti, Hyderabad.
2012-2013	02-09-2013	10.30 A.M	APCDA, K.Koti, Hyderabad.
2013-2014	29-09-2014	10.30 A.M	APCDA, K.Koti, Hyderabad.

Sl. No.		Shareholding at the beginning of the year [01-04-2014]		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year [31-03-2015]	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	MANJULA LALWANI	57420	1.69			Nil Movement during the year	57420	1.69
2	SUREKHA P DAVE	47840	1.40			Nil Movement during the year	47840	1.40
3	ANIL VISHANJI DEDHIA / SANDHYA ANIL DEDHIA	35000	1.03			Nil Movement during the year	35000	1.03
4	SHOUNAK PRADEEP THAKER / RASIKLAL LABHSHANKER THAKER	28357	0.83			Nil Movement during the year	28357	0.83
5	SUDHIR N KALPANA S	22500	0.66			Nil Movement during the year	22500	0.66
6	AJAY GUPTA	16800	0.49		1840		18640	0.55
7	ROHIT SABOO	17375	0.51			Nil Movement during the year	17375	0.51
8	SYSTEMATIX SHARES AND STOCKS (INDIA) LIMITED	10	0		17028		17038	0.50
9	MANOHAR BUDHOMAL	15390	0.45			Nil Movement during the year	15390	0.45
10	SUNIL P SAPANI	15000	0.44			Nil Movement during the year	15000	0.44

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

Sl. No.		Shareholding at the beginning of the year ( as on 01-04-2014)		Cumulative Shareholding during the year (01-04-2014 – 31-03-2015)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	AT THE BEGINNING OF THE YEAR	239279	7.03	239279	7.03
	DECREASE [SALE OF SHARES]				
	JAYANT KUMAR TREHAN	7175	0	232104	6.82
	INCREASE [PURCHASE]				
	RANGRAJ JAIN	17510	0	249614	7.33
	AT THE END OF THE YEAR	249614	7.33	249614	7.33

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRS):**

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

Sl. No.		Shareholding at the beginning of the year [01-04-2014]		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year [31-03-2015]	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
<b>A</b>	<b>Directors</b>							
1	Dr Ghisulal Jain	18030	0.53	—	—	—	18030	0.53
2	Subhash Lalwani	43600	1.28	—	—	—	43600	1.28
3	Seema Jain	—	—	—	—	—	—	—
4	Mahendra Kumar Ranka	—	—	—	—	—	—	—
5	G Uday Kumar	—	—	—	—	—	—	—
6	M Sudheer Anand	—	—	—	—	—	—	—
<b>B.</b>	<b>Key Managerial Personnel</b>	—	—	—	—	—	—	—

#### V. INDEBTEDNESS

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

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

Remuneration Policy for the Senior Management Employees In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the A&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the A&R Committee for its review and approval.

#### c) Shareholders/ Investors' Grievance Committee:

During the year 2014-15 the Shareholders/Investors Grievance committee that also acts as Share Transfer Committee not required to meet.

During the year 2014-15, 15 complaints were received from shareholders and investors. All the complaints have generally been resolved to the satisfaction of the complainants except for disputed cases and sub-judice matters, if any, which would be solved on final disposal by the courts/ forums where they are pending.

#### d) PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board' functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

The Directors expressed their satisfaction with the evaluation process.

e) 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.

#### INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on 14<sup>th</sup> Feb,2015, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the A&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The A&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The A&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

CEO & Managing Director - Criteria for selection / appointment For the purpose of selection of the CEO & MD, the A&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

#### Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the A&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Dr. Ghisulal Jain	Subhash Lalwani			
1.	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	150000	72000			222000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—			—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—			—
2.	Stock Option	—	—			—
3.	Sweat Equity	—	—			—
4.	Commission	—	—			—
	as % of profit	—	—			—
	others, specify.....	—	—			—
5.	Others, please specify	—	—			—
	Total (A)	150000	72000			222000
	Ceiling as per the Act	—				

#### VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

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

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		---	---	---	---	
	1. Independent Directors					
	● Fee for attending board committee meetings					
	● Commission					
	● Others, please specify					
	Total (1)					
	2. Other Non-Executive Directors	Nil				
	● Fee for attending board committee meetings					
	● Commission					
	● Others, please specify					
	Total (2)					
	Total (B) = (1+2)					

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
1.	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit-others, specify.....	
5.	Others, please specify	
	Total	
	Total Managerial Remuneration	
	Overall Ceiling as per the Act	

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

observations and other related matters. It also reviews major accounting policies followed by the company.

ii) **Composition:**

The Audit committee consists of three independent directors, Shri Mahendra Kumar Ranka, has been designated as chairman of the committee.

The committee met 4 times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows

Name of the Member	Designation	No. of Meetings Attended
Sri Mahendra K Ranka	Independent, Non Executive	4
Sri M.Sudheer Anand	Independent, Non Executive	4
Sri Uday Kumar	Independent, Non Executive	0

b) **Appointment & Remuneration Committee and policy:**

The appointment & remuneration committee for appointment & remuneration of executive directors was constituted with Sri Mahendra Kumar Ranka as chairman. The committee comprises of three independent Directors.

Name of the Member	Designation
Sri Mahendra K Ranka	Independent, Non Executive
Sri M.Sudheer Anand	Independent, Non Executive
Sri Uday Kumar	Independent, Non Executive

The committee has not met during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows

Name of the Member	Designation	No. of Meetings Attended
	NA	

The details of remuneration for the year ended March 31, 2015 to the Executive Directors are as follows

Name	Designation	Remuneration
Dr. Ghisulal Jain	Managing Director	150,000
Sri Subhash Lalwani	Executive Director	72,000

The Company has paid no sitting fees per meeting to Non-Executive Directors during the financial year 2014-15

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Appointment and Remuneration (A&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

Criteria of selection of Non Executive Directors

## CORPORATE GOVERNANCE:

### 1. PHILOSOPHY:

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Your company has fulfilled all the existing guidelines under clause 49 of the listing agreement.

### 2. BOARD OF DIRECTORS:

#### a) Composition, Category of Directors and their other directorship as on March 31, 2015.

Name	Category	No of Directorship in other public companies	No of Committee positions held in other public companies
Dr. Ghisulal Jain	Managing Director Promoter	Nil	Nil
Sri Subhash Lalwani	Executive Director	Nil	Nil
Smt. Seema Jain Director	Nil	Nil	
Sri Mahendra K Ranka	Independent Director	Cubex Limited	Nil
Sri M.Sudheer Anand	Independent Director	Nil	Nil
Sri G.Uday Kumar	Independent Director	Nil	Nil

#### b) Number of Board Meetings

During the year ended March 31, 2015, Five Board Meetings were held on 29/05/2014, 14/08/2014, 14/11/2014, 14/02/2015, 30/03/2015.

Name of the Director	Board Meetings attended during the year	Whether last agm attended
Dr. Ghisulal Jain	5	Yes
Sri Subhash Lalwani	5	Yes
Ms. Seema Jain	-	No
Sri Mahendra K Ranka	5	Yes
Sri M.Sudheer Anand	5	Yes
Sri G.Uday Kumar	-	-

### 3. COMMITTEES OF THE BOARD

#### a) Audit Committee

##### i) Terms of Reference:

Apart from all the matters provided in clause 49 of the listing agreement and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions,

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY OVER VIEW:

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 and Fine Chemicals have been Fifth largest exported principal commodity of the country accounting for 4.8% of India's Total Exports. In line with last two decades India's Pharmaceutical Industry, has achieved a positive trade balance and the initial estimates puts it around USD 9.0to 10.0 billion. As per the latest periodic statistics released by Director General of Commercial Intelligence & Statistics (DGCIS), Kolkata, India's Exports of Drugs, Pharmaceuticals for the period April 2013 to March 2014 stood at USD 15,045 million recording a growth rate 2.5% over the corresponding period of previous year. During 2013-14 India's Exports of Finished Dosage forms is 74% of the total exports Bulk Drugs in the region of 24% and Herbals 2%. Finished Dosage forms contribution is on the increase which indicates increased recognition of India's Pharmaceuticals World over

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:

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 Ayurvedic and Natural drug formulation.

#### THE SCENARIO:

Presently India's Ayurvedic products are exported to America, Asia, EU, Rest of Europe, Africa, Middle East, Oceania, USSR etc.

#### Herbal industry likely to reach Rs150bn by 2015: ASSOCHAM

*"The Associated Chambers of Commerce and Industry of India(ASSOCHAM) has projected that the market size of herbal industry which is currently estimated at Rs. 7,500 crores (Rs. 75 billion) will double to levels at Rs. 15,000 crore by 2015 since this industry would be growing at a compounded annual growth rate of over 20% henceforth".*

#### 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 to hold, 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 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 often 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 at the growth from the contract manufacturing facility operations in excise free zone in Northern India. Therefore company had achieved synergistic growth in the process and 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 173.04 Lakhs as against Rs. 140.52 Lakhs in the previous year registering a rise of Rs 32.52Lakhs.

During the year the Company has registered a Net loss before tax of Rs 10.60Lakhs as against net loss of Rs.36.60 Lakhs in the previous year. The Company has not made any provision for income 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, as they are key to company growth.

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.

#### INTERNAL CONTROL SYSTEM AND ADEQUACY:

Company continues to place considerable emphasis and efforts on the 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. 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 & Tulsicof.

#### CAUTIONARY STATEMENT:

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

Place:Hyderabad

Date: 14-08-2015

Sd/-

Ajay Kishen

Practicing Company Secretary

FCS: 6298 CP: 5146

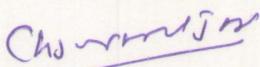
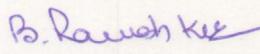
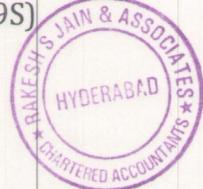
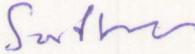


# Pharmaids Pharmaceuticals Limited

CIN No. L52520TG1989PLC009679

## FORM A

### FORMAT OF COVERING LETTER OF THE ANNUAL REPORT TO BE FILED WITH THE STOCK EXCHANGES

1	Name of the Company	Pharmaids Pharmaceuticals Limited
2	Annual financial statements for the year ended	31/03/2015
3	Type of Audit Observation	Nil
4	Frequency of observation	Nil
5	To be signed by	
	Managing Director	For Pharmaids Pharmaceuticals Limited  Dr. Ghisulal Jain Chairman and Managing Director
	Chief Financial Officer	N.A
	Auditor	For Rakesh S Jain & Associates (Firm Regn No 010129S)  B Ramesh Kumar Partner M.No.: 200304 
	Chairman, Audit Committee	For Pharmaids Pharmaceuticals Limited  M Sudheer Chairman (Audit Committee)

Regd. Office : 4-4-211/212/3, Inder Bagh, Sultan Bazar, Hyderabad - 500 095. TELANGANA (INDIA)

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