



Pharmaids Pharmaceuticals limited

**27th ANNUAL REPORT
2015-16**

BOARD OF DIRECTORS

Dr.Ghisulal Jain	Chairman & Managing Director
Subhash Lalwani	Executive Director (Resigned w.e.f.17-5-2016)
Ms. Seema Jain	Additional Director
Shri Mahendra K. Ranka	Independent Director
Shri M. Sudheer Anand	Independent Director
Shri Uday Kumar	Independent Director (Vacated w.e.f.14-11-2015)

REGISTERED OFFICE

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

T.S. India E-MAIL mailpharmaids@yahoo.co.in

WEBSITE www.pharmaids.com

FACTORY Sy. No:533, (v) Kondamadugu

(M) Bibinagar, Dist, Nalgonda. T.S. 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. Lakdi ka Pool
SBI, Barkatpura

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NOTICE
27th ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of the Members of Pharmaids Pharmaceuticals Limited will be held on Friday 30th September 2016 at Andhra Pradesh Chemists and Druggists Association, 5-9-262/1, King Koti, Hyderabad - 500 001 Telangana at 10.30 a.m." to transact the following business:

Ordinary Business :

1. To consider and adopt the Audited Standalone Financial Statements for the Financial Year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Seema Jain, (DIN: 07183851), who retires by rotation and being eligible, offers herself for re- appointment.
3. To consider and if thought fit, to pass, the following resolution as ordinary resolution:
“**RESOLVED** that pursuant to the provisions of 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.”

Place: Hyderabad
Date: 13-8-2016
CIN : L52520TG1989TLC009679
Reg. : # 4-4-211/212/3,1ST Floor,
Inderbagh,Sultan Bazar, Hyderabad-500 095.

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

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable. A Blank Proxy Form is annexed hereto.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
3. Members desiring any information with regard to Accounts / Reports are requested to write to the Company at least ten days before the Meeting to enable the Management to keep the information ready at the Meeting.
4. A statement giving the details of the Director seeking reappointment under Item No.2 of the accompanying Notice, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 21-9-2016 to 30-9-2016 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's Registrar and Share Transfer Agent / Company.
7. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes and have given positive consent to receive the Annual Report in electronic form, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 are being sent in the permitted mode.
8. Electronic copy of the Notice of the 27th AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Regulations, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 27th AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 27th AGM. The members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Shri Ajay Kishen, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions to members for voting electronically are as under: -

- (I) The voting period begins on Tuesday 27th September, 2016 at 10.00 a.m. and ends on Thursday 29th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut - of date of 23-9-2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (II) Members holding shares in physical or in demat form as on 23-9-2016 shall only be eligible for e-voting.
- (III) The shareholders should log on to the e-voting website www.evotingindia.com.
- (IV) Click on Shareholders.
- (V) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (VI) Next enter the Image Verification as displayed and Click on Login.
- (VII) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(VIII) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DividendBank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (IX) After entering these details appropriately, click on “SUBMIT” tab.
- (X) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (XI) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (XII) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (XIII) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (XIV) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (XV) After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (XVI) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (XVII) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

- (XVIII) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (XIX) Note for Non-Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (XX) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING [In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Seema Jain
DIN	07183851
Date of Birth	17/03/1989
Date of first appointment on the Board	30/03/2015
Qualifications	Graduation
Expertise	Communication
Number of Meetings of the Board attended during the year	4
List of Directorship / Membership / Chairmanship of Committees of other Board	NA
Shareholding in Pharmaids Pharmaceuticals Limited	NA
Relationship between directors inter-se	Daughter in-law
Terms and Conditions of appointment	c/ MD

By Order of the Board of Directors
Sd/- Dr. Ghisulal Jain
Din: 00404983
Chairman and Managing Director
Sd/- Seema Jain
Director & CEO
DIN No.718351

Place: Hyderabad
Date: 13-8-2016
CIN : L52520TG1989TLC009679
Reg. : # 4-4-211/212/3, 1ST Floor,
Inderbagh, Sultan Bazar, Hyderabad-500 095.

DIRECTOR'S REPORT

To

The Members,

DIRECTORS REPORT

The Directors have pleasure in presenting the 27th Annual Report of the Company, together with the financial statements, for the year ended 2016.

Financial Results

(Rs. in Lakhs)

PARTICULARS	2015-16	2014-15
Sales	168.44	173.04
Other Income	4.56	12.41
Total Income	173.00	185.45
Total expenses	205.86	182.35
Profit before Depreciation	(32.86)	(3.10)
Less: Depreciation	10.36	13.71
Deffered Tax	3.45	4.05
Profit (loss) for the year	(39.76)	(6.55)
Add : Profit/(Loss) b/f from earlier years	(171.31)	(164.77)
Profit/(Loss) carried to Balance sheet	(211.07)	(171.31)

Company Performance

Dividend

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

Fixed Deposits

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

Director's Responsibility Statement

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Directors and Key Managerial Personnel

Mrs. Seema Jain will retire by rotation at the ensuing Annual General Meeting, and being eligible offers herself for re-appointment in accordance with the provisions of the Companies Act, 2013. Mr. Subhash Lalwani, Executive director submitted his resignation to the Board on 17th May, 2016 due to his personal preoccupations. The same was accepted by the Board in its meeting held on 27th May, 2016. The Board hereby places on record its sincerest thanks and gratitude for the invaluable contribution made by Mr. Subhash Lalwani towards the growth and development of the company during his tenure as a director.

Policy for selection of Directors and determining Directors' Independence

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Policy:

Qualifications and criteria

- i. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- ii. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
 - General understanding of the company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

- iii. The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3. Criteria of Independence

- i. The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- ii. The criteria of independence shall be in accordance with guidelines as laid down in Companies and the Equity Listing Agreement.
- iii. The Independent Director shall abide by the "Code for Independent Directors" as specified.

4. Other Directorships/ Committee Memberships

- i. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The NR Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- ii. A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- iii. A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- iv. A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Policy:

- i. Remuneration to Executive Director and Key Managerial Personnel
- ii. The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
- iii. The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- iv. The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:
 - (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retrial benefits
 - (vi) Annual performance Bonus
- v. The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

2. Remuneration to Non – Executive Directors

- i. The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.
- ii. Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Declaration from Independent Directors on Annual Basis

The Company has received a declaration from Mr. Mahendra K Ranka and Mr. M SudheerAnand, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

Nature of business

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

Auditors

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

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

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

Secretarial Audit

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

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 compiled to the fullest extent.

Extract of Annual Return

The extract of Annual Return as on 31st March, 2016 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as 'Annexure - C' and forms part of this Report.

Number of Meetings of the Board

During the year ended 31st March, 2016 Four Board Meetings were held on 29/05/2015, 14/08/2015, 14/11/2015, 15/02/2016.

Directors' attendance record:

Name of the Director	No. Board Meetings held during the year	No. Board Meetings attended during the year
Dr. Ghisulal Jain	4	4
Mahendra Kumar Ranka	4	4
M. SudheerAnand	4	4
Seema Jain	4	4
G. Uday Kumar (1)	4	0
SubhashLalwani (2)	4	3

(1) G. Uday Kumar vacated the office with effect from 14/11/2015.

(2) SubhashLalwani resigned with effect from 17/05/2016.

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 2015-2016

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

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

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

Significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and company's operations in future

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

Subsidiary Companies, Associates and Joint Venture Companies

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

Internal Control Systems and Their Adequacy

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

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

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

Industrial Relations

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

Business Risk Management

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

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

Material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2016 and 13-08-2016 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March , 2016) and the date of the Report (13-08-2016).

Audit Committee

- I. The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Act.
- II. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:
 - overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
 - reviewing and examination with management the quarterly financial results before submission to the Board;
 - reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
 - review management discussion and analysis of financial condition and results of operations;
 - scrutiny of inter-corporate loans and investments made by the Company;

- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
 - reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
 - approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
 - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
 - reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
 - recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
 - reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
 - evaluating internal financial controls and risk management systems;
 - valuating undertaking or assets of the Company, wherever it is necessary;
 - reviewing the functioning of the Whistle Blowing mechanism;
- III. The previous annual general meeting (AGM) of the Company was held on 29-9-2015 and was attended by Mr. Mahendra K Ranka, Chairman of the audit committee
- IV. The composition of the audit committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings held	No. of Meetings attended
Mahendra K Ranka	Independent, Non-Executive	4	4
M SudheerAnand	Independent, Non-Executive	4	4
G Uday Kumar (1)	Independent, Non-Executive	4	0
Seema Jain	Non – Independent and Non - Executive	4	4

- (1) G. Uday Kumar vacated the office with effect from 14/11/2015.
- V. Four audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: 29-05-2015, 4-08-2015, 14-11-2015, 15-02-2016

Nomination and Remuneration Committee

- I. The broad terms of reference of the nomination and Remuneration Committee are as under:
- Recommend to the board the set up and composition of the board and its committees. including the *“formulation of the criteria for determining qualifications, positive attributes and independence of a director”*. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
 - Recommend to the board the appointment or reappointment of directors.
 - Devise a policy on board diversity.
 - Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
 - Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include *“formulation of criteria for evaluation of independent directors and the board”*.
 - Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
 - On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company
 - Oversee familiarization programs for directors.
 - Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).
 - Provide guidelines for remuneration of directors on material subsidiaries.
 - Recommend to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
 - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

II. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

Name	Category
Mahendra K Ranka	Independent, Non Executive
M SudheerAnand	Independent, Non-Executive
G Uday Kumar (1)	Independent, Non-Executive
Seema Jain	Non – Independent and Non - Executive Women

(1) G. Uday Kumar vacated the office with effect from 14/11/2015.

During the year, no meeting of the nomination and remuneration committee was held.

III. The Company does not have any employee stock option scheme.

IV. Remuneration Policy

The Nomination and Remuneration Committee shall ensure that –

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

V. Details of Remuneration paid to Directors

The details of remuneration paid to the Executive and Non Executive Directors for the financial given below:

SubhashLalwani (Whole time director) has drawn a remuneration of Rs. 72,000/- for the year ended 31.03.2016 and Dr. Ghisulal Jain (Managing Director) has drawn a remuneration of Rs. 1,50,000/- for the year ended 31.03.2016.

Stakeholders Relationship Committee

- i. The Committee is responsible, inter alia, to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
- ii. One meeting of the stakeholders' relationship committee was held during the year on 23rd March , 2016.
- iii. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings held	No. of Meetings attended
Mahendra Kumar Ranka	Independent, Non-Executive	1	1
SubhashLalwani	Non - Independent, Executive	1	1
M SudheerAnand	Independent, Non-Executive	1	1

- iv. Name, designation and address of Compliance Officer: R. Mani Bhavani - Accounts Officer, Reg. : # 4-4-211/212/3,1ST Floor, Inderbagh,Sultan Bazar, Hyd-95.
- v. Details of Complaints/ Requests received, resolved and pending during the Financial Year 2015-16.

During the Quarter	Received	Resolved	Pending
June Qtr	Nil	Nil	Nil
Sep. Qtr	Nil	Nil	Nil
Dec. Qtr	Nil	Nil	Nil
March Qtr	Nil	Nil	Nil

Vigil mechanism

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

Formal Annual Evaluation

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 23-3-2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- Review of the performance of non-independent directors and the Board as a whole;
- Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors.

The company has 2 (two) non-independent directors namely: Mr. Mahendra Kumar Ranka and Mr. M SudheerAnand

The meeting alsoreviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings

- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

Corporate Governance and Shareholders Information

Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance is Not Applicable.

Ratio of Remuneration to each Director

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, a remuneration of Rs. 72,000/- is being paid to Mr. SubhashLalwani, whole time director of the Company and a remuneration of Rs. 1,50,000/- is being paid to Dr. Ghisulal Jain, Managing Director of the Company.

Particulars of Employees, related disclosures and Human Resources:

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

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

Listing Arrangement

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd., (B S E). The listing fees, for the year 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 of Directors
Sd/- Dr. Ghisulal Jain
Din: 00404983
Chairman and Managing Director

Place: Hyderabad
Date: 13-8-2016

Sd/- Seema Jain
Director & CEO
DIN No.718351

Annexure
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A. Conservation of energy

POWER & FUEL CONSUMPTION

		2015-16	2014-15
1	Electricity (Purchased) Units	6715	3558
	Total Amount (Rs)	42,976	33,340
	Rate per Unit (Rs)	6.40	9.37
2	Electricity (Generated) units	-	-
	Diesel consumed in Liters	-	-
	Total Amount (Rs.)	-	-
	Rate per Unit (Rs.)	-	-
3	Total Units consumed	-	-
	Units consumed in per lac production	-	-

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

B. Technology absorption

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire activities are directed to achieve the aforesaid goal.

C. Foreign Exchange Earning and Outgo

	Current Year Rs	Previous Year Rs
Earnings	-	-
Outgo	-	-

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

The shareholders

I, Ghisulal Jain, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

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

Place: Hyderabad
 Date: 13-8-2016

Sd/- Seema Jain
 Director & CEO
 DIN No.718351

SECRETARIAL AUDIT REPORT
For The Financial Year Ended On 31st March, 2016

(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, 2016, 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Not applicable to the company during the Audit period].
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable to the company during the Audit period]

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable to the company during the Audit period].
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable to the company during the Audit period].
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: [Not applicable to the company during the Audit period] and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable to the company during the Audit period].
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
1. Factories Act, 1948
 2. Payment Of Wages Act, 1936, and rules made thereunder,
 3. The Minimum Wages Act, 1948, and rules made thereunder,
 4. Employees' State Insurance Act, 1948, and rules made thereunder,
 5. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 6. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 7. Industrial Disputes Act, 1947
 8. The Air (Prevention and Control of Pollution) Act, 1981
 9. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
 10. Drugs and Cosmetics Act, 1940.
 11. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954.
 12. Narcotic Drugs and Psychotropic Substances Act, 1985.
 13. Food Safety And Standards Act, 2006.
 14. Biological Diversity Act, 2002.
 15. The Indian Copyright Act, 1957.
 16. The Trade Marks Act, 1999.

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

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

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

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.

Ajay Kishen
Practicing Company Secretary
FCS: 6298 CP: 5146

Place: Hyderabad
Date: 13-8-2016

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

'ANNEXURE A'

To,
The Members,
Pharmaids Pharmaceuticals Limited
Hyderabad

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

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

Ajay Kishen
Practicing Company Secretary
FCS: 6298 CP: 5146

Place:Hyderabad

Date: 13-8-2016

ANNEXURE C**Form No. MGT – 9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2016**

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

I. REGISTRATION AND OTHER DETAILS:	
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 : 040-65599809
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 LIMITED10-167, BHARAT NAGAR, HYDERABAD – 500 018 Ph: 040 – 23818475 / 76

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	30.44 %
2	TRADING OF ALLOPATHIC MEDICINES	6150	69.56 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2015)				No. of Shares held at the end of the year (as on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HU/IF	249614	0	249614	7.33	223105	0	223105	6.55	-0.78
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp	—	—	—	—	—	—	—	—	—
e) Banks / FI's	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub Total (A) (1)	249614	0	249614	7.33	223105	0	223105	6.55	-0.78
(2) Foreign	—	—	—	—	—	—	—	—	—
a) NRI – Individuals	—	—	—	—	—	—	—	—	—
b) Other – Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub Total (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	249614	0	249614	7.33	223105	0	223105	6.55	-0.78
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt (s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Fund	—	—	—	—	—	—	—	—	—
i) Others	—	—	—	—	—	—	—	—	—
Sub Total (B) (1)	—	—	—	—	—	—	—	—	—
2. Non Institutions									
a) Bodies Corporate									
i) Indian	89160	1000	90160	2.65	82244	1000	83244	2.44	-0.21
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	1675253	845876	2521129	74.03	1863631	893506	2757137	80.96	+6.93
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	303841	208175	512016	15.03	154628	156245	310873	9.11	-5.92
c) Others									
i) Clearing Members	25352	0	25352	0.74	21997	0	21997	0.65	-0.09
ii) Non Resident Individuals	7229	0	7229	0.21	9644	0	9644	0.28	+0.07
Sub Total (B) (2)	2100835	1055051	3155886	92.67	2132144	1050251	3182395	93.45	+0.78
Total Public Shareholding (B) = (B)(1) + (B) (2)	2100835	1055051	3155886	92.67	2132144	1050251	3182395	93.45	+0.78
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS									
GRAND TOTAL (A+B+C)	2350449	1055051	3405500	100	2355249	1050251	3405500	100	—

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2015)			Share holding at the end of the year (as on 31-03-2016)			%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	—	—	—	—	-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	—	31011	0.91	—	+0.87
5	PRASHANT H DAVE	10459	0.31	—	10459	0.31	—	—
6	MADHUKUMARI BHARAT KITAWAT	1000	0.03	—	1000	0.03	—	—
7	MOHINI KHADRIA	6000	0.18	—	—	—	—	-0.18
8	GHISULAL JAIN	18030	0.53	—	18030	0.53	—	—
9	VEENA LALWANI	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 LALWANI	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	28511	0.84	—	—	—	—	-0.84
20	ASHA SHAILESH JAIN SHAILESH H JAIN	1000	0.03	—	1000	0.03	—	—
21	ABHILEKHA JAIN	40854	1.20	—	42145	1.24	—	+0.04
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	—	—	—	—	-0.43
25	BHAWANI SINGH RAJAWAT	1000	0.03	—	—	—	—	-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	—	—
	Total	249614	7.33	—	223105	6.55	—	-0.78

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

Sl. No.		Shareholding at the beginning of the year (as on 01-04-2015		Cumulative Shareholding during the year (01-04-2014 – 31-03-2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	AT THE BEGINNING OF THE YEAR	249614	7.33	249614	7.33
	DECREASE [SALE OF SHARES]				
	MOHD RAFEEQ	7200	0.21	242414	7.12
	MOHINI KHADRIA	6000	0.18	236414	6.94
	RANGRAJ JAIN	28511	0.84	207903	6.10
	SATISH CHAND	14600	0.43	193303	5.67
	BHAWANI SINGH RAJAWAT	1000	0.03	192303	5.64
	INCREASE [PURCHASE]				
	ABHILEKHA JAIN	1291	0.04	193594	5.68
	GHISULAL R JAIN	29511	0.87	223105	6.55
	AT THE END OF THE YEAR	223105	6.55	223105	6.55

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

Sl. No.		Shareholding at the beginning of the year [01-04-2015]		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year [31-03-2016]	
		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	AJAY DAVE	—	—		25875		25875	0.76
6	SUDHIR N KALPANA S	22500	0.66			Nil Movement during the year	22500	0.66
7	AJAY GUPTA	18640	0.55		2261		20901	0.61
8	ROHIT SABOO	17375	0.51			Nil Movement during the year	17375	0.51
9	SYSTEMATIX SHARES AND STOCKS (INDIA) LIMITED	17038	0.50		(17028)		—	—
10	MANOHAR BUDHOMAL JAISINGHANI	15390	0.45			Nil Movement during the year	15390	0.45
11	SUNIL P SAPAN	15000	0.44			Nil Movement during the year	15000	0.44

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

Sl. No.		Shareholding at the beginning of the year [01-04-2014]		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
A	Directors							
1	Dr Ghisulal Jain	18030	0.53	—	—	—	18030	0.53
2	SubhashLalwani	16400	0.48	—	—	—	16400	0.48
3	Seema Jain	—	—	—	—	—	—	—
4	Mahendra Kumar Ranka	—	—	—	—	—	—	—
5	G Uday Kumar	—	—	—	—	—	—	—
6	M SudheerAnand	—	—	—	—	—	—	—
B	Key Managerial Personnel	—	—	—	—	—	—	—

VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	—	—
Change in Indebtedness during the financial year				
Addition	3418808	—	—	3418808
Reduction	—	—	—	—
Net Change	3418808	—	—	3418808
Indebtedness at the end of the financial year				
i) Principal Amount	3418808	—	—	3418808
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	3418808	—	—	3418808

VII. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Dr. Ghisulal Jain	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	—				

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		---	---	---	---	
3.	Independent Directors <ul style="list-style-type: none"> ● Fee for attending board committee meetings ● Commission ● Others, please specify 	NA				
	Total (1)					
4.	Other Non-Executive Directors <ul style="list-style-type: none"> ● Fee for attending board committee meetings ● Commission ● Others, please specify 	NA				
	Total (2)	-				
	Total (B) = (1+2)	-				
	Total Managerial Remuneration	-				
	Overall Ceiling as per the Act	-				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
1.	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	-

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

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 31st March 2016, 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 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 31st, 2016, 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, 2016 ("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 1**" 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 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**".
 - g. 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.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Place : Hyderabad
Date : 27.05.2016

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

Annexure 1 referred to in our report of even date

Re: Pharmaida Pharmaceuticals Limited

- i. a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.
- b) 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.
- c) As verified by us, the title deeds of immovable property are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any Loans to any of the parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees, and security; provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. 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 Companies Act, 2013 and the rules framed there under.
- vi. 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
- vii. a) The Company is regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income-tax, sales-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, service tax, duty of customs, duty of excise, value added tax were in arrears as at 31st March 2016 for a period more than six months from the date they became payable except TDS amounting to Rs.6,540/-.

- 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 loans or borrowing to a financial institution, bank, Government or dues to debenture holders, as applicable, as at the Balance sheet date.
- ix. In our opinion and according to the information and explanations given to us, moneys raised by way of initial public offer or further public offer (including debt instruments) and the term loans, as applicable, have been applied for the purposes for which they were raised.
- x. According to the information and explanations given to us, we have neither come across any instance of fraud on the company by its officers or employees or by the Company noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion, the company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company
- xiii. According to the records of the Company examined by us and the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, in our opinion the company is not required to get registration under section 45-IA of the Reserve Bank of India Act, 1934.

For Rakesh S Jain & Associates

Chartered Accountants

FRN: 010129-S

Sd/-

(B.Ramesh Kumar)

Partner

M.No: 200304

Place: Hyderabad

Date: 27.05.2016

“Annexure – 2”

Annexure to the Independent Auditor’s Report of even date on the Financial Statements of Pharmaids Pharmaceuticals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of 143 of the Companies Act 2013 (“the Ac”)

To the Members of Pharmaids Pharmaceuticals Limited

We have audited the internal financial controls over financial reporting of **Pharmaids Pharmaceuticals Limited** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial criteria establish by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion on internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of **Pharmaids Pharmaceuticals Limited**, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report as of date expressed an unqualified opinion thereon.

For Rakesh S Jain & Associates

Chartered Accountants

FRN: 010129-S

Sd/-

(B.Ramesh Kumar)

Partner

M.No: 200304

Place: Hyderabad

Date: 27.05.2016

PHARMAIDS PHARMCEUTICALS LTD

Balance Sheet as at 31st March, 2016

Amount in Rs.

	Notes	Amount in Rs.	
		As on 31/03/2016	As on 31/03/2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	33,630,850	33,630,850
Reserves and Surplus	3	(20,450,256)	(16,474,304)
Non-current Liabilities			
Long Term Borrowings	4.1	2,730,837	2,065,937
Deferred Tax Liability (Net)		272,161	617,632
Current Liabilities			
Short term Borrowings	5.1	2,052,161	901,819
Trade Payables	5.2	4,449,597	4,094,947
Other Current Liabilities	5.3	287,118	389,959
TOTAL		22,972,469	25,226,840
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	6	4,367,528	4,629,877
Long term Loans and advances	7	3,220,422	4,686,996
Other non - current Assets	8	1,250	
Current Assets			
Inventory	9.1	2,879,787	2,897,949
Trade Receivables	9.2	10,742,492	11,101,549
Cash and Cash Equivalentents	9.3	1,760,989	1,910,469
TOTAL		22,972,469	25,226,840
Summary of significant accounting policies	1		

Notes on Financial statements 15

This is the Balance Sheet referred to in our report of even date

For Rakesh S Jain & Associates
Chartered Accountants
Firm Registration Number: 010129S

For and on behalf of the Board

Sd/-
(B.Ramesh Kumar)
Partner
Membership Number: No: 200304
Place: Hyderabad
Date : 27.05.2016

Sd/-
Dr. Ghisulal Jain (DIN No. 00404983)
Chairman & Managing Director
Sd/-
Seema Jain
Director & CEO [DIN No.718351]

PHARMAIDS PHARMCEUTICALS LTD

Statement of Profit and Loss for the year ended 31st March, 2016

Amount in Rs.

	Notes	As on	As on
		31/03/2016	31/03/2015
Revenue			
Revenue from Operations	10	16,844,927	17,304,047
Other Income	10	456,716	1,241,504
Total Revenue		17,301,643	18,545,551
Expenses			
(Increase) /Decrease in stock		89,054	(50,094)
Cost of material consumed		11,451,072	10,419,258
Employee Benefits expense	12	2,030,471	1,820,360
Finance Costs	13	286,543	15,315
Depreciation		1,036,609	1,371,239
Other expenses	14	6,729,317	6,029,946
Total Expenses		21,623,065	19,606,025
Profit before Exceptional, Extraordinary items & Taxation		(4,321,423)	(1,060,474)
Exceptional Items		-	-
Profit before Extraordinary items & Taxation		(4,321,423)	(1,060,474)
Extra ordinary items		-	-
Prior Period Items		-	-
Profit before Taxation		(4,321,423)	(1,060,474)
Tax Expense:			
Current Tax		-	-
Deferred Tax Charge		(345,471)	(405,419)
Profit/(Loss) for the period from continuing operations		(3,975,952)	(655,055)
Profit/ (Loss) from discontinuing operations	-	-	-
Tax expense of discontinuing operations	-	-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit for the period		(3,975,952)	(655,055)
Basic / Diluted Earnings Per Share (Face value of Rs.10 each)		(1.17)	(0.19)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financials statements.
This is the Statement of Profit and Loss

For Rakesh Jain & Associates
Chartered Accountants
Firm Registration Number: 010129S

Sd/-
(B.Ramesh Kumar)
Partner
Membership Number: No: 200304
Place: Hyderabad
Date : 27.05.2016

For and on behalf of the Board

Sd/-
Dr. Ghisulal Jain (DIN No. 00404983)
Chairman & Managing Director
Sd/-
Seema Jain
Director & CEO [DIN No.718351]

PHARMAIDS PHARMCEUTICALS LTD**Cash Flow Stament for the year ended 31st March, 2016**

Amount in Rs.

	2015-16	2014-15
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax	(4,321,423)	(1,060,474)
Adjustment for		
<i>Depreciation</i>	1,036,609	1,371,239
<i>Interest Expenditure</i>	212,776	36
<i>Interest Income</i>	(6,716)	(4,004)
Adjustment for		
Inventory	18,162	(76,059)
Debtors	359,057	1,459,566
Loans & Advances	1,466,573	1,102,941
Accrued Rent	-	346,500
Current Liabilities & Provisions	1,402,152	(1,032,953)
Less: Tax paid	-	-
Cash Flow From Operating Activities	167,190	2,106,792
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Increase in Fixed Assets	(774,260)	(149,749)
Investment in V. Bank	(1250)	-
Interest Income	6,716	4,004
Cash Flow From Investing Activities	(768,794)	(145,745)
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
Secured Loans	664,900	(1,315,497)
Unsecured Loans	-	-
Interest Expenditure	(212,776)	(36)
Cash Flow From Investing Activities	452,124	(1,315,533)
Cash outflow during the year	(149,481)	645,514
Cash & Equivalent at the beginning of the year	1,910,469	1,264,956
Cash & Equivalent at the end of the year	1,760,989	1,910,469

For Rakeshs Jain & Associates

Chartered Accountants

Firm Registration Number: 010129S

Sd/-

(B.Ramesh Kumar)

Partner

Membership Number: No: 200304

Place: Hyderabad

Date : 27.05.2016

For and on behalf of the Board

Sd/-

Dr. Ghisulal Jain (DIN No. 00404983)

Chairman & Managing Director

Sd/-

Seema Jain

Director & CEO [DIN No.718351]

PHARMAIDS PHARMCEUTICALS LTD

Notes to the Accounts for the year ended 31st March, 2016

Amount in Rs.

	As on	As on
	31/03/2016	31/03/2015
Share Capital		
Authorised		
40,00,000 Equity Shares of Rs.10/- each	40,000,000	40,000,000
	40,000,000	40,000,000
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
	33,630,850	33,630,850

Reconciliation of the number of shares outstanding		31/03/2016		31/03/2015	
Equity shares	No. of Shares	Amount	No. of Shares	Amount	
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	-	-	-	-	
Less : Shares bought back during the year	-	-	-	-	
Number of equity shares at the end of the Year	3,405,500	34,055,000	3,405,500	34,055,000	

Amount in Rs.

	As at	As at
	31/03/2016	31/03/2015
Reserves and Surplus		
Capital Subsidy		
As per last Balance Sheet	993,750.00	993,750.00
Profit & Loss Account		
As per last Balance Sheet	(17,468,053.78)	(16,476,747.00)
Add: Profit / (Loss) for the year	(3,975,951.73)	(655,055.00)
Less: Depreciation in respect of assets whose useful life is over	-	(336,252.00)
	(20,450,256)	(16,474,304)

PHARMAIDS PHARMCEUTICALS LTD

Notes to the Accounts for the year ended 31st March, 2016

Amount in Rs.

	As on 31/03/2016	As on 31/03/2015
4. Non-Current Liabilities		
4.1 Long Term Borrowings (Secured)		
*Term Loan - Vardhaman Bank	2,041,595	-
(Unsecured)		
Deferred Payment Liabilities		
**Sales Tax Deferral (refer note)	689,242	1,279,615
Deposits		
Rent Deposit Payable	-	786,322
Total	2,730,837	2,065,937

NOTES:

* Term loan from Verdhaman Bank is Secured by 1st charge on the Fixed Assets(Land) of the company and guaranteed by one of the directors of company.

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

Amount in Rs.

	As on 31/03/2016	As on 31/03/2015
5. Current Liabilities		
5.1.Short Term Borrowings (Secured)		
Term Loan - Vardhaman Bank	491,347	-
Cash Credit Loan - Vardhaman Bank	885,866	-
Unsecured		
Loans from Directors and Relatives	-	-
Deferred Payment Liabilities		
Sales Tax Deferral (refer note)	674,948	901,819
	2,052,161	901,819

Amount in Rs.

	As on 31/03/2016	As on 31/03/2015
5.2.Trade Payables		
Trade Payables	4,449,597	4,094,947
	4,449,597	4,094,947

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.

Amount in Rs.

	As on 31/03/2016	As on 31/03/2015
5.3. Other Current Liabilities		
Other Payables	287,118	389,959
	287,118	389,959

PHARMAIDS PHARMCEUTICALS LTD

Notes to the Accounts for the year ended 31st March, 2016

6. Fixed Assets

Amount in Rs.

DESCRIPTION	As at 01.04.2015	Gross Block			Depreciation			Net Block			
		Additions	Deletions	As at 31.03.2016	As at 01.04.2015	Retained earnings adjustment	For the Year	Deletions	As at 31.03.2016	As at 31.03.2015	
Land	310,052	148,750	-	458,802	-	-	-	-	-	458,802	310,052
Buildings	5,996,699	250,650	-	6,247,349	4,127,238	-	376,537	-	4,503,775	1,743,574	1,869,461
Electrical Installations	258,257	-	-	258,257	255,253	-	2,214	-	257,467	790	3,004
Furniture and Fixture	761,224	49,980	-	811,204	761,224	-	13,756	-	774,980	36,224	-
Plant and Machinery	12,256,809	305,680	-	12,562,489	9,838,423	-	625,858	-	10,464,281	2,098,208	2,418,386
Computer	772,053	-	-	772,053	744,713	-	8,234	-	752,947	19,106	27,340
Printer	10,349	-	-	10,349	8,840	-	774	-	9,614	735	1,509
Air conditioner	17,000	19,200	-	36,200	16,876	-	9,237	-	26,113	10,087	124
Type writer	14,376	-	-	14,376	14,376	-	-	-	14,376	-	-
Office Equipment	13,500	-	-	13,500	13,499	-	-	-	13,499	1	1
TOTAL	20,410,319	774,260	-	21,184,579	15,780,442	-	1,036,609	-	16,817,051	4,367,528	4,629,877
Previous Year	20,260,570	149,749	-	20,410,319	14,072,951	-	1,371,239	-	15,780,442	4,629,877	6,187,619

PHARMAIDS PHARMCEUTICALS LTD

Notes to the Accounts for the year ended 31st March, 2016

Amount in Rs.

	As on 31/03/2016	As on 31/03/2015
7. Long term Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Advance recoverable in cash or kind	2,064,175	3,263,505
Others:		
Balance with Statutory/Government Authorities	1,156,247	1,423,491
	3,220,422	4,686,996

	As on 31/03/2016	As on 31/03/2015
8. Investment		
Investment in Shares of Vardhman Bank	1,250	-
	1,250	-

	As on 31/03/2016	As on 31/03/2015
9. Current Assets		
9.1 Inventory		
Raw Material / Packing Material	405,618	334,726
Work In Process	89,850	84,535
Finished Goods	2,384,319	2,478,688
	2,879,787	2,897,949

	As on 31/03/2016	As on 31/03/2015
9.2. Trade Receivables		
(Unsecured, considered good unless stated otherwise)		
Less Than six months:		
Considered Good	3,926,793	5,184,931
Exceeding six months:		
Others		
Considered Good	6,815,699	5,916,618
	10,742,492	11,101,549

	As on 31/03/2016	As on 31/03/2015
9.3. Cash and Cash Equivalents		
Balances with Banks		
On Current accounts	256,184	703,805
On Deposit account	20,465	-
Cash in Hand	1,484,340	1,206,664
	1,760,989	1,910,469

PHARMAIDS PHARMCEUTICALS LTD

Notes to the Accounts for the year ended 31st March, 2016

Amount in Rs.

	As on 31/03/2016	As on 31/03/2015
10. Revenue from Operations		
Sales	16,844,927	17,304,047
	16,844,927	17,304,047
11. Other Income		
Interest Income	6,716	4,004
Other Non Operating Income: (Includes Rent/lease of Rs.4.50 lakh (previous year Rs. 12.37)	450,000	1,237,500
	456,716	1,241,504
	As on 31/03/2016	As on 31/03/2015
12. Employee Benefits Expenses		
Salaries and Wages	1,952,257	1,755,033
Contribution to Provident and Other Funds	78,214	61,315
Staff Welfare expenses	-	4,012
	2,030,471	1,820,360
	As on 31/03/2016	As on 31/03/2015
13. Finance Cost		
Interest	212,776	36
Bank Charges	73,767	15,279
	286,543	15,315

PHARMAIDS PHARMCEUTICALS LTD

Notes to the Accounts for the year ended 31st March, 2016

Amount in Rs.

	As on 31/03/2016	As on 31/03/2015
14. Other Expenses		
Advertisement Expenses	48,481	95,602
Analytical Charges	16,080	22,992
Annual listing fees	256,686	133,729
Auditor's Remuneration:		
Audit Fees	15,000	15,000
Other Matters	13,000	12,000
Service Tax	5,510	4,574
Tax Audit Fees	10,000	10,000
Bad Debts	1,755,106	1,497,474
Business Promotion	1,264,900	1,178,636
Carriage expenses	298,171	492,972
Commission	-	1,800
Computer Maintenance	29,200	22,055
Consumables	32,968	28,051
Conveyance	361,519	351,408
Damage & Expiry Goods W/o	71,709	64,557
Directors remuneration	222,000	222,000
Discount	43,684	44,111
Electricity Charges	149,477	72,819
Factory Maintenance	165,181	103,524
General Expenses	310,829	205,136
Internal Audit Expenses	7,500	-
Marketing Expenses	29,025	96,728
Postage & Telegram	166,749	25,736
Printing & stationery	57,645	97,054
Product development	67,650	220,972
Professional Charges	119,067	111,162
Professional tax	7,900	5,000
Rates and Taxes	8,300	90,694
Rent	297,533	141,316
Repairs & Maintenance - Vehicle	409,204	24,418
Repairs & Maintenance -others	20,916	61,253
Sales Tax Arrears	3,969	-
Secretarial Expenses	113,152	108,298
Telephone Charges	88,311	79,515
Travelling Expenses	262,813	389,359
Swach Bharat Cess	83	-
	6,729,317	6,029,946

Note-15 Notes Forming Part of Accounts

15.1 Details of Managerial Remuneration :

	Managing Director		Executive Director	
	2015-16	2014-15	2015-16	2014-15
Salary	1,50,000	1,50,000	72,000	72,000
Total	1,50,000	1,50,000	72,000	72,000

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

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

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

Name of the parties

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

NAME OF THE TRANSACTIONS RELATED TO THE PARTY	TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES	
	2015-16	2014-15
PURCHASES	-	113,229
SALES	-	55,330
MANAGERIAL REMUNERATION	222,000	222,000
SALARY	48,000	140,000
LOAN - REPAYMENT	-	218,000

15.5 Deferred Tax:

Deferred Tax liability consists of:

	2015-16	2014-15
DTL on Timing Difference on account of Depreciation	272,161	617,632
Others - DTA	NIL	NIL
Net Deferred Tax Liability	272,161	617,632

15.6 EARNING PER SHARE (EPS)

	2015-16	2014-15
The computation of EPS is set out below:		
Earning		
Net Profit for the period	(3,975,952)	(655,055)
Shares		
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
Earning per share of par value Rs. 10/- Basic & Diluted (Rs)	(1.17)	(0.19)

15.7. 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 31st March 2016.

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.

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.

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 realise 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.

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	31 st March 2016		

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	22,972,469	Total Assets	22,972,469
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Sources of Funds

Paid-up Capital	33,630,850	Reserves & Surplus	(20,450,256)
Non-current Liabilities	3,002,998	Current Liabilities	6,788,876

Application of Funds

Net Fixed Assets	4367,528	Investments	1250
Current Assets	15,383,268	Misc. Expenditure	-

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

Total Income	17,301,643	Total Expenditure	21,623,065
Profit Before Tax	(4,321,423)	Profit After Tax	(3,975,952)
Earnings Per Share (In Rs.)	(1.17)	Dividend (%)	NIL

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 Rakeshs Jain & Associates

Chartered Accountants

Firm Registration Number: 010129S

Sd/-

(B.Ramesh Kumar)
Partner

Membership Number: No: 200304

Place: Hyderabad

Date : 27.05.2016

For and on behalf of the Board

Sd/-

Dr. Ghisulal Jain (DIN No. 00404983)
Chairman & Managing Director

Sd/-

Seema Jain

Director & CEO [DIN No.718351]

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

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

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

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

E-COMMUNICATION REGISTRATION FORM

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

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

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

Date Signature.....

Note:

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

PROXY FORM

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

Pharmaids Pharmaceuticals Limited

CIN: L52520TG1989PLC009679

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

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

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

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

as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 27th Annual General Meeting of the Company, to be held on Friday, 30th September, 2016 at 10.30 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 31 st March,2016 Report of the Board of Directors and Auditors thereon		
2.	Re-appointment of Mrs. Seema Jain who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of appointment of Rakesh S Jain & Associates, Chartered Accountants as Auditors and fixing their remuneration		

Signed this _____ day of _____ 2016 Signature of Member _____ Signature of Proxy _____

Note: 1.This form proxy in order to be effective should be duly completed and deposited at theRegistered 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.

Back to Nature



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**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
