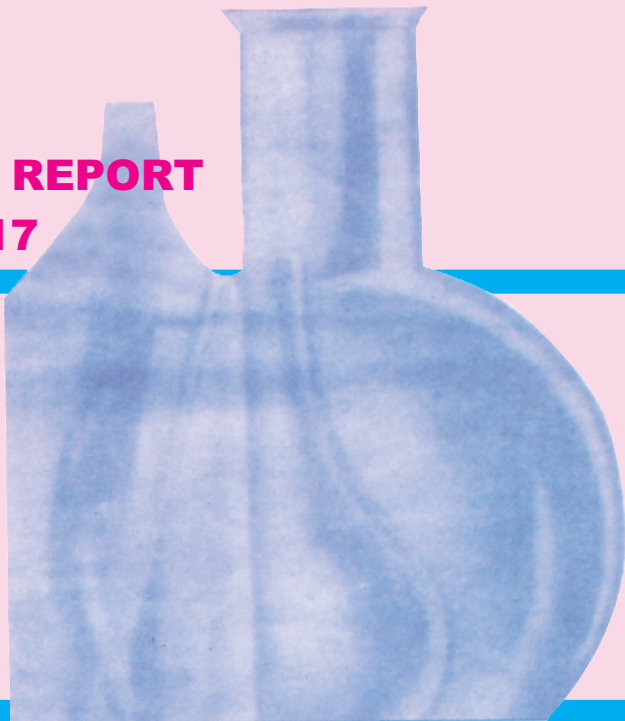




**PHAARMASIA**

**36th  
ANNUAL REPORT  
2016-2017**



**PHAARMASIA LIMITED**

Regd. Office : 16, Phase-III, I.D.A.  
Jeedimetla, Hyderabad - 500 055.

## CONTENTS

1.	Corporate Information	1
2.	Notice of Thirty Sixth Annual General Meeting	2
3.	Directors' Report	15
4.	Management Discussion and Analysis Report	39
5.	Auditors Report on the Financial Statements	43
6.	Balance Sheet	52
7.	Statement of Profit and Loss A/c	53
8.	Cash Flow Statement	54
9.	Notes Forming Part of Financial Statements	55
10.	Proxy Form	70
11.	Attendance Slip	72



**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

MR. MANEESH R. SAPTE	Managing Director
MR. Y. N. BHASKARA RAO	Whole-Time Director
MR. VINAY RAMAKANT SAPTE	Non-Executive Director
MRS. RASHMI VINAY SAPTE	Non-Executive Director
MR. BHARAT B. MERCHANT	Independent Director
MR. BHUPINDER GARG	Independent Director*
*Resigned w.e.f 14th February, 2017	
Mr. PRAVIN M. HEGDE	Independent Director**
**Appointed w.e.f 14th February, 2017	

**Chief Financial Officer**

Mr. N.E.V Prasad Rao

**Company Secretary**

Mr. Abhishek Wakchaure\*\*\*

\*\*\*Appointed w.e.f 11th August, 2016

**Statutory Auditors**

M/s. K. S. Ramakrishna & Co.  
Chartered Accountants  
5-9-22/38/2, Adarsh Nagar,  
Hyderabad – 500 063

**Secretarial Auditor:**

M/s. AGR Reddy & Co.  
Company Secretaries  
202, Pavani Annexe, Banjara Hills,  
Road No.2, Hyderabad-500 034.

**Internal Auditors:**

M/s. Thirupathi & Associates  
Chartered Accountants  
303, Said Brundavan Apts, Panjagutta,  
Behind Sai Baba Temple, Hyderabad.

**Bankers**

HDFC Bank  
Axis Bank

**Registrar and Share Transfer Agent**

M/s. Venture Capital and Corporate Investments Private Limited  
H. No. 12-10-167, Bharatnagar, Hyderabad – 500 018  
Tel No. 040-23818476 / 23818475; Fax No. 040-23868024  
Email: info@vccilindia.com



## NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Members of **PHAARMASIA LIMITED** will be held on Friday, the 22nd day of September, 2017 at 03.00 P.M at the Registered Office of the Company situated at Plot No.16, Phase III, I.D.A, Jeedimetla, Hyderabad - 500 055, Telangana to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinay R. Sapte (DIN: 00135085), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
3. To appoint M/s. Sathuluri & Co, Chartered Accountants (Firm Registration No 006383S), as statutory auditors of the company till the conclusion of 41st Annual General Meeting of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. Sathuluri & Co, Chartered Accountants (Firm Registration No. 006383S), be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. K. S Ramakrishna & Co, Chartered Accountants (Firm Registration No. 002888S) whose tenure expires at the ensuing Annual General Meeting of the Company, AND THAT the Board of Directors be and are hereby authorized to fix the remuneration payable to them, as may be determined by the Audit committee in consultation with the auditors, in addition to the reimbursement of applicable taxes and out of pocket expenses incurred in connection with the audit of the accounts of the Company.”

**“RESOLVED FURTHER THAT** M/s. Sathuluri & Co, Chartered Accountants shall hold office from the conclusion of this 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of



the Company subject to ratification of their re-appointment by Members at every Annual General Meeting of the hereafter.”

“**RESOLVED FURTHER** THAT the Directors of the Company and/or the Company Secretary be and are hereby severally authorized to file necessary forms with the Ministry of Corporate Affairs and to do all such acts, deeds and things as may be deemed and expedient and necessary to give effect to this resolution.”

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pravin Mohandas Hegde (DIN : 01404954), who was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 14th February, 2017, be and is hereby regularized and appointed as an Independent Director of the Company for a term of 5 (five) years effective 14th February, 2017 upto 13th February, 2022, not liable to retire by rotation.”

“**RESOLVED FURTHER** THAT any Directors and Company Secretary of the Company be and are hereby severally authorised to file relevant forms with the Registrar of Companies, and to do such other acts, deeds and things as may be required to give effect to the aforesaid resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 197 and Schedule-V and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Nomination and Remuneration Committee, consent of the Company be and is hereby accorded for increase in remuneration to Mr. Yallapragada Naga Bhaskara Rao, Whole Time Director, from, Rs.1,00,000 (Rupees One Lakh only) per month to Rs.1,10,000 (Rupees One Lakh Ten Thousand Only) per month with effect from 1st August, 2016 on the following terms and conditions:



**Salary:** Rs 1,10,000/- per month payable in equal monthly installments.

**Perquisites:** Mr. Yallapragada Naga Bhaskara Rao shall be entitled to following perquisites and the same shall not be included in the remuneration payable.

**Travel Allowance:** The Company shall reimburse the travel expenditure incurred based on the actuals.

**Medical Allowance:** Reimbursement of medical expenses for self and family, subject to ceiling of one month's basic salary per annum including personal accident insurance.

**Club Fee:** Fees of clubs subject to maximum of two Clubs. This shall not include admission and life membership fees.

**Provident Fund:** Contribution to provident Fund, Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on the perquisites to the extent these either singly or put together are not taxable under Income Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.

**“RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to execute and sign relevant documents and to do all such other acts, deeds and things to give effect to aforementioned resolution.”

By the order of the Board  
For Phaarmasia Limited

Sd/-

**Y. N. Bhaskara Rao**  
Whole Time Director  
DIN: 00019052

Place: Hyderabad  
Date: 22nd August, 2017

Regd. Off. :  
16, Phase III, IDA, Jeedimetla,  
Hyderabad, Telangana-500055.



**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETE AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) % OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
3. Members/Proxies are requested to bring their duly filled Attendance Slip along with the copy of the Annual Report to the Meeting.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Brief resume of the Directors for those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships / Chairmanships of the Board Committees, shareholding and relationships between Directors inter-se is annexed hereto and forms part of this Notice.
7. Members holding shares in multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholdings into one folio.
8. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
9. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address



immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in Demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have Demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents M/s. Venture Capital and Corporate Investments Private Limited.
11. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
12. Pursuant to Section 101 and 136 of the Companies Act, 2013 read with relevant rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail addresses either with the Company or with the Depository. **Members who have not registered their e-mail addresses with the Company can now register the same by submitting a request letter in this respect to the Company/Registrar & Share Transfer Agents, M/s Venture Capital and Corporate Investments Private Limited. Members holding shares in Demat form are requested to register their e-mail address with their Depository Participant(s) only.**
13. The Annual Report is being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered a request for a hard copy of the same. Physical copy of the Annual Report is being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).
14. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode.





Members are requested to support this green initiative by registering/ uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

15. The Annual Report for the year ending 31st March, 2017 and Notice of the AGM inter-alia indicating the manner and process of e-voting along with the Attendance Slip and Proxy Form are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
16. Members may also note that the Notice of the 36th AGM and the Annual Report for 2017 will also be available on the Company's website [www.phaarmasia.com](http://www.phaarmasia.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during the normal business hours on working days.
17. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of Rs.1,00,000 (Rupees One Lakh).
18. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,, the Company is pleased to provide facility to the members to exercise their right to vote at the 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote E-Voting platform provided by CDSL.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on September 19, 2017 at 09.00 hours IST and ends on September 21, 2017 at 17.00 hours (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date



of September 15, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user 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) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details <b>OR</b> 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. <ul style="list-style-type: none"><li>• 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 (iv).</li></ul>



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on EVSN of ‘Phaarmasia Limited’.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
19. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

By the order of the Board  
For Phaarmasia Limited

Sd/-

**Y. N. Bhaskara Rao**  
Whole Time Director  
DIN: 00019052

Place: Hyderabad  
Date: 22nd August, 2017



## **ANNEXURE FORMING PART OF THE NOTICE**

Explanatory Statement Pursuant to Provisions of Section 102 of the Companies Act, 2013

### **Item No. 4**

Mr. Pravin Mohandas Hegde (DIN : 01404954), a Qualified Chartered Accountant was appointed as an additional Director of the Company by the Board of Directors of the Company at their meeting held on 14<sup>th</sup> February, 2017, to fill the intermittent vacancy caused by the resignation of Mr. Bhupinder Garg (DIN: 03337727).

In accordance with the provisions of the Companies Act, 2013 and rules thereto, the term of an additional director expires at the date of Annual General Meeting or the due date of Annual General Meeting, whichever is earlier and such appointment of an additional director needs to be regularized by the members of the Company before such date.

Mr. Pravin Hegde is a chartered accountant from several years and has an in-depth expertise in finance and related activities. His intellect and experience from such activities will be beneficial for the growth of the Company.

Considering the above, the Board of Directors of the Company recommend its members to regularize and appoint Mr. Pravin Mohandas Hegde as the Independent Director of the Company for a term of 5 (five) years effective from 14<sup>th</sup> February, 2017 upto 13<sup>th</sup> February, 2022 which shall not be liable to retirement by rotation.

None of the Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested in the said resolution except Mr. Pravin Hegde in the capacity of the additional director of the Company.

### **Item No. 5**

The Board of Directors at their meeting held on September 26, 2016, approved for increase in remuneration from Rs. 1,00,000/- per month to Rs. 1,10,000/- per month and other allowances and perquisites as mentioned in resolution to Mr. Yallapragada Naga Bhaskara Rao, Whole-Time Director of the Company, subject to the approval of the shareholders in the General Meeting.



Mr. Y. N. Bhaskara Rao is associated as the Director of the Company since the year 2004. He is having huge experience in manufacturing of pharmaceutical products and plays an important role in handling the crucial departments of the Company related to Production Planning, Purchases, Sales, and Maintenance of Plants etc. Looking at his contribution to the Company, the above increase in remuneration is sought from the shareholders.

None of the Directors or their relatives except Mr. Y.N. Bhaskara Rao himself is concerned or interested in the resolution. None of the other Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The Board commends the passing of the Ordinary Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

By the order of the Board  
For Phaarmasia Limited

Sd/-

**Y. N. Bhaskara Rao**  
Whole Time Director  
DIN: 00019052

Place: Hyderabad  
Date: 22nd August, 2017

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

<b>Particulars</b>	<b>Mr. Vinay R. Sapte</b>
Director Identification Number	00135085
Date of Birth	01/06/1955
Nationality	Indian
Date of Appointment	30/04/2009
Qualifications	B.E (Electric)
Shareholding in the Company	Nil
Expertise in specific functional areas	Experience in pharmaceutical sector.
Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)	As per Note 1 below
Chairmanships/ Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/ Investors Grievance Committee)	Nil

**Note. 1**

Sr. No.	Name of Company	Designation
1	Maneesh Pharmaceuticals Limited	Managing Director
2	Svizera Pharma Private Limited	Director
3	Bombay Biosyntex Chemicals Private Limited	Director
4	Meghdoot Chemicals Limited	Director
5	Servac Pharma (I) Private Limited	Director
6	Svizera Labs Private Limited	Director
7	Pure Health Products Private Limited	Director
8	Shanbag Storage and Services Private Limited	Director
9	Ergos Life Sciences Private Limited	Director



**NOTICES BY ELECTRONIC MODE**

To

M/s Venture Capital and Corporate Investments Private Limited  
H.No.12-10-167, Bharat Nagar  
Hyderabad – 500 018

Company/Unit: **PHAARMASIA LIMITED**

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : \_\_\_\_\_

DP ID / Client ID / Regd. Folio No. : \_\_\_\_\_

PAN No. : \_\_\_\_\_

E-mail Address : \_\_\_\_\_

Date :

Place : (Signature of Member)





---

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 36th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2017.

**FINANCIAL RESULTS:**

The performance during the period ended 31st March, 2017 has been as under:

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2017</b>	<b>31st March, 2016</b>
Sales & Other Income	<b>2064.22</b>	2214.00
Operating profit before Financial Charges & Depreciation	<b>70.90</b>	75.12
Financial Charges	<b>0.85</b>	1.06
Profit before Depreciation	<b>70.05</b>	74.06
Depreciation	<b>44.03</b>	49.56
Profit / (Loss) before taxes	<b>26.02</b>	24.49
Prior Period Expenses	<b>0.00</b>	0.00
Provision for Taxation of Current Year	<b>14.27</b>	14.49
Deferred Tax for the Current Year	<b>0.00</b>	0.00
Net profit after taxes	<b>11.74</b>	4.17
Profit/(Loss) brought forward from previous year	<b>4.17</b>	13.96
Dividend (including tax on Dividend)	<b>0.00</b>	0.00
Balance of profit brought forward	<b>11.74</b>	4.17

**STATE OF COMPANY'S AFFAIRS:**

During the year under review, the gross revenue of the Company was Rs.2064.22 Lakhs compared to Rs.2214.00 Lakhs in the previous year. However Profit after tax for the year increased to Rs. 11.74 Lakhs as compared to Rs. 4.17 Lakhs in the previous year.



## **FUTURE OUTLOOK:**

The Company is looking forward in expansion of its products segments and widening of its domestic market segments in the narrow future, we expect a healthy growth in the upcoming financial years.

## **SHARE CAPITAL:**

The authorised capital of the company stand unchanged from previous year at Rs. 10,00,00,000/- (Rupees Ten Crores), the Issued, Subscribed and Paid up Capital of the Company as on March 31, 2017 is Rs.6,82,69,600/- (Rupees Six Crores Eighty Two Lakhs Sixty Nine Thousand and Six Hundred) divided into 68,26,960 equity shares of Rs.10/- (Rupees Ten) each.

## **DIVIDEND:**

The company has not declared the dividend during the financial year under review.

## **TRANSFERS TO RESERVES:**

An amount of Rs. 11,73,932/- has been transferred to the Reserves being the profit earned during the financial year 2016-17.

## **NUMBER OF MEETING OF THE BOARD:**

The Board of Directors duly met 5 (Five) times on 27-05-2016, 11-08-2016, 26-09-2016, 14-11-2016, and 14-02-2017 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL.**

Mr. Vinay R. Sapte, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

Mr. Abhishek Wakchaure, a qualified Company Secretary was appointed as the Company Secretary & Compliance Officer of the Company w.e.f 11<sup>th</sup> August, 2016.

Mr. Pravin Hegde (DIN : 01404954) was appointed as an Additional Non-Executive Independent Director of the Company by the Board in their meeting held on 14.02.2017, who shall hold office upto the date of the ensuing Annual General Meeting of the Company. The members of the



Company are requested to regularize the appointment of Mr. Pravin Hegde at the forthcoming Annual General Meeting of the Company.

During the year under review Mr. Bhupinder Garg, Independent Director resigned from the Board of the Company.

**DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(5) OF THE COMPANIES ACT, 2013:**

In compliance of section 134 (5) of the Companies Act, 2013, your directors to the best of their knowledge and belief confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts for the year ended 31st March 2017 has been prepared on a going concern basis.
- e) that the Directors had laid down internal financial controls to be followed by the company and that such internal financial control to be followed by the company are adequate and were operating effectively.
- f) that the Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet the criteria of their independence as laid down in Section 149(6) of the Companies Act, 2013.

**PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as under. Further, there were no employees who were drawing salary of more than INR 8.5 Lakhs per month or INR 102 Lakhs per annum.

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

<b>Executive Directors</b>	<b>Ratio to Median remuneration</b>
Yallapragada Naga Bhaskara Rao	3.31:1
Maneesh Ramakant Sapte	Nil

- b. The percentage increase in remuneration of each directors, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

<b>Directors, CEO, CFO and Company Secretary</b>	<b>% increase in Remuneration in the Financial Year.</b>
Maneesh Ramakant Sapte	Nil
Y.N. Bhaskara Rao	14.29%
Vinay Ramakant Sapte	Nil
Bharat Merchant Bachubai	Nil
Bhupinder Narendra Garg	Nil
Rashmi Vinay Sapte	Nil
Pravin Hegde	Nil

- c. The percentage increase in the median remuneration of employees in the financial year: 10 %
- d. The number of permanent employees on the rolls of Company: 37 Employees
- e. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the



net worth of the Company as at the close of the current financial year and previous financial year.

Sr. No	PARTICULARS	As at March 31 <sup>st</sup> ,2017	As at March 31 <sup>st</sup> , 2016
1.	Market Capitalization	11,91,30,452	21,50,49,240
2.	Price Earnings Ratio	102.65:1	525:1

- f. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year is 10% Average percentile increase in the Managerial remuneration in the last financial year is 14.29 %

- g. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars	Maneesh R. Sapte Managing Director	Y.N. Bhaskara Rao Whole-Time Director
Remuneration in FY 2016-17	No Remuneration paid	12,80,000/-
Revenue		20,64,22,329/-
Remuneration as % of revenues		0.62%
Profit before Tax (PBT)		26,01,565/-
Remuneration (as % of PBT)		49.20%

**POLICY ON DIRECTOR’S APPOINTMENT AND REMUNERATION:**

The Company has framed policy on Directors’ appointment and remuneration and other matters provided in section 178(3) of the Act and is referred to while taking decisions under its purview.



---

### **AUDIT COMMITTEE:**

Audit Committee of the Company meets the requirements of section 177 of the Companies Act, 2013. During the year under review, the Board has accepted all the recommendations of the Audit Committee. The details of the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013 is given below.

Mr. Bharat B. Merchant	Chairman
Mr. Y.N. Bhaskara Rao	Member
Mr. Pravin Hegde	Member

### **NOMINATION AND REMUNERATION COMMITTEE:**

Nomination and Remuneration Committee meets the requirements of section 178 of the Companies Act, 2013. During the year under review, the Board has accepted all the recommendations of the Nomination and Remuneration Committee. The details of the composition of the Nomination and Remuneration Committee is furnished as below:

Mr. Bharat B. Merchant	Chairman
Mr. Vinay R. Sapte	Member
Mr. Pravin M. Hegde	Member

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions w.r.t. CSR are not applicable to the Company therefore, the Company had not constituted CSR committee during the year 2016-17.

### **BOARD EVALUATION**

Annual evaluation has been carried out by the Board of Directors of its own performance, board committees and individual directors pursuant to the provisions of the applicable Act, rules and guidelines.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.



The Board and the Nomination and Remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The overall performance of the Chairman, Executive Directors and Non-Executive Directors of the company is satisfactory. The review of performance was based on the criteria of performance, knowledge, analysis, quality of decision making etc.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the End of the Financial Year and the date of the report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/ REGULATORS:**

During the year under review there are no significant and material orders passed by the Courts or Regulators against the Company.

**EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT-9 as a part of this annual report is annexed as **Annexure I**.

**REPLIES TO AUDITORS REPORT:**

With reference to observations made in Auditor's Report, the notes of account are self-explanatory and therefore do not call for any further comments under section 134(5) of Companies Act, 2013.



### **SECRETARIAL AUDIT REPORT:**

In terms of section 204 of the Companies Act and Rules made there under, the Secretarial Audit Report as provided by Mr. Manoj Kumar Koyalkar of M/s. AGR Reddy & Co, Practicing Company Secretaries. The Secretarial Audit Report is enclosed as **Annexure II** to this report. The Secretarial auditor has highlighted few points in the secretarial audit report. The Board wants to place before the members its comments on the observations of the Secretarial auditor which are as below:

- The delay mentioned in the secretarial audit report with respect to ESI, PF, TDS and Service Tax were made inadvertently. These were later deposited and filed with interest and penalties. The Company is taking appropriate steps to avoid these in future.

### **INTERNAL AUDITORS:**

The Company has a team which monitors the effectiveness of the internal control systems. It reports to the Audit Committee about the adequacy and effectiveness of the internal control system of your Company. The Company has appointed M/s. Thirupathi & Associates, Chartered Accountants to carry out internal audit.

The recommendations of the internal audit team on improvements in the operating procedures and control systems are also presented to the Audit Committee and the business to use these as tools for strengthening the operating procedures.

### **DETAILS OF SUBSIDIARY/ASSOCIATE /JOINT VENTURE COMPANY**

At present your Company does not have any Subsidiary/Associate/Joint Venture Company

### **DEPOSITS:**

The Company has not accepted any deposit from the public under Chapter V of the Act or under the corresponding provisions of Section 73 and 74 of the Companies Act, 2013, and no amount of principal or interest was outstanding as on the Balance Sheet date.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not given/done any Loans, Guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 during the reporting period.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The details regarding transaction with related parties covered under section 188 of the Companies Act, 2013 is given in '**Annexure III**' and forms part of





this report. The related Parties disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as per point no 27.3 of the financial statements of the Company.

### **LISTING WITH STOCK EXCHANGE**

The equity shares of the Company are listed on Bombay Stock Exchange (BSE). The annual listing fee for the financial year 2017-18 is paid to the stock exchange.

### **CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC:**

#### **(A) Conservation Of Energy**

- (i) The steps taken or impact on conservation of energy: Nil
- (ii) The steps taken by the company for utilizing alternate sources of energy: Nil
- (iii) The capital investment on energy conservation equipments: Nil

#### **(B) Technology absorption**

- (i) The efforts made towards technology absorption;
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
  - (a) The details of technology imported;
  - (b) The year of import;
  - (c) Whether the technology been fully absorbed;
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

***No technology is imported during financial year 2016-17***

- (iv) The expenditure incurred on Research and Development: Nil

#### **(C) Foreign exchange earnings and Outgo**

Foreign Exchange Inflows: ----- NIL

Foreign Exchange Outflows: -----NIL

### **INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a

---



comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

**INSURANCE:**

The Properties and assets of your Company are adequately insured.

**RISK MANAGEMENT**

The Company has laid down the procedure for risk assessment and its mitigation through an internal Risk Committee. Key risks and their mitigation arising out of reviews by the Committee are assessed and reported to the Audit Committee on a periodic basis. The Risk Management Policy details the Company's objectives and principles of Risk Management along with an overview of the Risk Management processes, procedures and related roles and responsibilities.

**WHISTLE BLOWER POLICY/VIGIL MECHANISM:**

In line with requirement of the Companies Act, 2013 Vigil Mechanism/Whistle Blower Policy has been formulated for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct etc. The said Policy provides for adequate safeguard against victimization of directors/employees who avail of such mechanism and provides access to the Chairman of Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee.

During the year, there were no Whistle Blower complaints received.

**CORPORATE GOVERNANCE:**

As per regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance of Corporate Governance norms are not applicable to your Company, hence the disclosures under the Corporate Governance requirement have not been mentioned in the Annual Report. Though the provisions of Corporate Governance are not applicable to the Company, the operations and transactions of the Company are done in a transparent manner.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report, pursuant to Regulation 34 reads with Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, forms part of this report and the same is annexed.

**ISO 9001- 2008 CERTIFICATION:**

Your Company continues to hold ISO 9001 - 2008 Certification by meeting all the requirements of certification from time to time.

---



**SEXUAL HARASSMENT POLICY:**

The Company as required under the provisions of “The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013” has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

In the year under review, the Company has not received any complaint under this Policy. Your Directors place on record their appreciation for the services rendered by the employees. The relation between the management and the employees has been cordial throughout the year.

**EMPLOYEE RELATIONS:**

Your Directors are pleased to record their sincere appreciation of the contribution by the workmen and staff at all levels in the improved performance of the Company.

None of the employees are drawing Rs. 8,50,000/- and above per month or Rs. 1,02,00,000/- and above in aggregate per annum as remuneration, the limits prescribed under provisions of the Companies Act, 2013.

**ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support and patronage.

**For and on behalf of the Board of Directors  
For Phaarmasia Limited**

Sd/-

**Maneesh R. Sapte**  
Managing Director  
DIN: 00020450

Sd/-

**Y. N. Bhaskara Rao**  
Whole-time Director  
DIN: 00019052

Place: Hyderabad  
Date: 22nd August, 2017



**ANNEXURE – I**  
**FORM NO. MGT.9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2017

[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:-	L24239TG1981PLC002915
ii.	Registration Date	6th February, 1981
iii.	Name of the Company	Phaarmasia Limited
iv.	Category / Sub-Category of the Company	Company limited by shares
v.	Address of the Registered office and contact details	#16, Phase III, I.D.A, Jeedimetla, Telangana Hyderabad - 500055 Contact: 040 - 23095002 Email: phaarmasia@gmail.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Venture Capital and Corporate Investments Private Limited # 12-10-167, Bharat Nagar, Hyderabad - 500 018 Tel No.: 040-23818476 / 23818475; Fax No. 040-23868024 Email: info@vccilindia.com

**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	Oral Contraceptive Pills	2100	49.70%
2	Contract Manufacturing	Nil	50.29%



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

SI. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Maneesh Pharmaceuticals Limited Regd Add: 29-33, Ancillary Industrial Plots, Govandi, Mumbai – 400043	U24230 MH1985 PLCO 36952	Holding Company	73.45% (along with its wholly-owned subsidiary)	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category wise share holding**

Category of Shareholders	Share holding as on 31st, March, 2017				Share holding as on 31st, March, 2016				%Change during the year
	Demat	Physical	Total	%of Total	Demat	Physical	Total	%of Total	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	5014232	0	5014232	73.45	5014232	0	5014232	73.45	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total(A)(1):-</b>	<b>5014232</b>	<b>0</b>	<b>5014232</b>	<b>73.45</b>	<b>5014232</b>	<b>0</b>	<b>5014232</b>	<b>73.45</b>	<b>0</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Promoter Shareholding(A)= (A)(1)+ (A)(2)</b>	<b>5014232</b>	<b>0</b>	<b>5014232</b>	<b>73.45</b>	<b>5014232</b>	<b>0</b>	<b>5014232</b>	<b>73.45</b>	<b>0</b>



Category of Shareholders	Share holding as on 31st, March, 2017				Share holding as on 31st, March, 2016				%Change during the year
	Demat	Physical	Total	%of Total	Demat	Physical	Total	%of Total	
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI/ Insurance Cos	0	3960	3960	0.06	0	3960	3960	0.06	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) FIs	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>3960</b>	<b>3960</b>	<b>0.06</b>	<b>0</b>	<b>3960</b>	<b>3960</b>	<b>0.06</b>	<b>0</b>
2. Non Institutions									
a) Bodies Corp.	8718	5133	13851	0.20	12366	5133	17499	0.26	-0.06
b) Individuals	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	363274	1025893	1389167	20.35	340991	1039628	1380619	20.22	0.13
(ii) Individual shareholders holding nominal share capital in excess of Rs 1Lakh	0	403148	403148	5.91	0	403148	403148	5.91	0
c) Others	0	0	0	0	0	0	0	0	0
i. Clearing Member	2450	0	2450	0.04	7350	0	7350	0.11	-0.07
ii. NRI	152	0	152	0.00	152	0	152	0.00	0
<b>Sub-total (B)(2)</b>	<b>374594</b>	<b>1434174</b>	<b>1808768</b>	<b>26.49</b>	<b>360859</b>	<b>1447909</b>	<b>1808768</b>	<b>26.49</b>	<b>0</b>
Total Public Shareholding (B)= (B)(1) + (B)(2)	<b>374594</b>	<b>1438134</b>	<b>1812728</b>	<b>26.55</b>	<b>360859</b>	<b>1451869</b>	<b>1812728</b>	<b>26.55</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A + B + C)</b>	<b>5388826</b>	<b>1438134</b>	<b>6826960</b>	<b>100</b>	<b>5375091</b>	<b>1451869</b>	<b>6826960</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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. Maneesh Pharmaceuticals Limited	30,14,232	44.15	0	30,14,232	44.15	0	NIL
2. Svizera Labs Private Limited	20,00,000	29.30	0	20,00,000	29.30	0	NIL
Total	50,14,232	73.45	0	50,14,232	73.45	0	NIL

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

Sl. No.	Promoter's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Changes during the year			
	At the End of the year				



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

Sl. No.	For each of the Top 10 Share holder's Name	Shareholding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VITHAL RAO L V	106612	1.56	106612	1.56
2	APARNA L	67953	1.00	67953	1.00
3	KAUSHIK L M	77582	1.14	77582	1.14
4	L APARNA	40366	0.59	40366	0.59
5	LALITA L	36121	0.53	36121	0.53
6	L LALITA	27500	0.40	27500	0.40
7	L M KAUSHIK	33886	0.50	33886	0.50
8	SANGEETHA L	10700	0.16	10700	0.16
9	VITHAL RAO L	7196	0.11	7196	0.11
10	BIMAL JASVANTLAL PAREKH	6000	0.09	6000	0.09

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

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Y.N. Bhaskara Rao – Whole Time Director				
	At the beginning of the year	180	0.00	180	0.00
	Addition/Deletion during the year	-	-	-	-
	At the end of the year	-	-	180	0.00
2.	Mr. N. E. V Prasad Rao – Chief Financial Officer				
	At the beginning of the year	340	0.00	340	0.00
	Addition/Deletion during the year	-	-	-	-
	At the end of the year	-	-	340	0.00





## V. INDEBTEDNESS

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

Details	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	6,84,663	0	6,84,663
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0	6,84,663	0	6,84,663
Change in Indebtedness during the financial year				
• Addition				
• Reduction	0	2,26,511	0	2,26,511
Net Change	0	2,26,511	0	2,26,511
Indebtedness at the end of the financial year				
i) Principal Amount	0	4,58,152	0	4,58,152
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0	4,58,152	0	4,58,152

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount in Rs.
		Mr. Maneesh R. Sapte	Mr. Y.N.Bhaskara Rao	
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	N/A	Rs.12,80,000/-	12,80,000/-
2.	Stock Option		N/A	N/A
3.	Sweat Equity		N/A	N/A
4.	Commission - as % of profit - Others, specify...		N/A	N/A
5.	Others, please specify		N/A	N/A
	Total (A)		Rs.12,80,000/-	12,80,000/-
	Ceiling as per the Act		-	-



**B. Remuneration to other directors:**

Sl.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr.Bharat Merchant	Mr.Bhupinder Garg	Mr. Pravin Hegde	
1.	1. Independent Directors				
	• Fee for attending board/ committee meetings	44,000	44,000	4,000	92,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	44,000	44,000	4,000	92,000
	2. Other Non-Executive Directors				
	• Fee for attending board committee meetings	28,000	20,000	48,000	
	• Commission	-	-	-	
	• Others, please specify	-	-	-	
	Total (2)	28,000	20,000	48,000	
	Total (B) = (1 + 2)				1,40,000
	Total Managerial Remuneration				1,40,000
	Overall Ceiling as per the Act				Not exceeding Rs. 1lakh per meeting of Board/ committee

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
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	-	1,07,032/-	7,44,000/-	8,51,032/-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>1,07,032/-</b>	<b>7,44,000/-</b>	<b>8,51,032/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees Imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					No penalty, punishments or compounding of offence
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					No penalty, punishments or compounding of offence
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					No penalty, punishments or compounding of offence
Punishment					
Compounding					



**Annexure-II**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,  
**M/s PHAARMASIA LIMITED**  
16, Phase-III, IDA, Jeedimetla,  
Hyderabad-500055  
Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PHAARMASIA 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 my 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 the 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 March 31, 2017, (“**Audit Period**”) 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 the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the “**Act**”) and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;



- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit Report)
- (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) Other laws applicable to the Company as per the representations made by the Management.

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

Secretarial Standard-1 and Secretarial Standard-2, with respect to Board and General Meetings respectively, issued by The Institute of Company Secretaries of India,

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 change in composition of the Board of Directors that took place during the period under review was 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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried out unanimously and 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.

*I further report that during the audit period:*

- (i) There were delay in making employee contribution towards Employee State insurance, (ESI), Provident Fund (PF) and delay in filing Tax Deduction at source (TDS) returns which was later deposited and filed with interest and penalties.*
- (ii) There were delays in payments of Service tax by the company, which was later paid by the company along with interest and penalty.*

**for AGR Reddy & Co.  
Company Secretaries**

Sd/-

**Manoj Kumar Koyalkar**

**FCS No. : 9298**

**Certificate of Practice No. 10004**

Hyderabad, 31<sup>st</sup> July, 2017

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



## **Annexure - A**

To  
The Members,  
M/s PHAARMASIA LIMITED  
16, Phase-III, IDA, Jeedimetla,  
Hyderabad-500055. Telangana

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

- a. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of 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 I followed provide a reasonable basis for my opinion.
- c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Where ever required, I have obtained Management Representation about the compliance, laws, rules and regulations and happening of events etc.
- e. 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.
- f. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**for AGR Reddy & Co.**  
**Company Secretaries**

Sd/-

**Manoj Kumar Koyalkar**

**FCS No. : 9298**

**Certificate of Practice No. 10004**

Hyderabad, 31st July, 2017



**Annexure-III**  
**FORM NO. AOC.2**

***Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

**1. Details of contracts or arrangements or transactions not at arm's length basis**

- (a) Name(s) of the related party and nature of relationship – N.A
- (b) Nature of contracts/arrangements/transactions – N.A
- (c) Duration of the contracts/arrangements/transactions – N.A
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any – N.A
- (e) Justification for entering into such contracts or arrangements or transactions – N.A
- (f) date(s) of approval by the Board – N.A
- (g) Amount paid as advances, if any: - N.A
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 – N.A

**2. Details of material contracts or arrangement or transactions at arm's length basis**

- (a) Name(s) of the related party and nature of relationship – Maneesh Pharmaceuticals Limited (Holding Company)
- (b) Nature of contracts/arrangements/transactions – Sale / Purchase transactions
- (c) Duration of the contracts/arrangements/transactions – FY 2016-17
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - Goods Sold – Rs. 54,16,924/-
  - Goods purchased – Rs. 3,19,87,003/-
- (e) Date(s) of approval by the Board, if any: N.A
- (f) Amount paid as advances, if any: Nil

**For and on behalf of the Board of Directors  
For Phaarmasia Limited**

Sd/-

**Maneesh R. Sapte**

Managing Director

DIN: 00020450

Place: Hyderabad

Date: 22nd August, 2017

Sd/-

**Y. N. Bhaskara Rao**

Whole-time Director

DIN: 00019052





---

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

---

### **1. INDUSTRY STRUCTURE AND DEVELOPMENTS.**

The pharmaceutical industry in India ranks 3<sup>rd</sup> in the world terms of volume and 13<sup>th</sup> in terms of value, India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. The domestic Pharma market witnessed a slowdown in the reporting financial year owing to the Government's efforts to make medicines affordable. The Government of India has announced measures to create a progressive environment for the Indian pharmaceutical industry. The Government of India is committed to setting up robust healthcare and delivery mechanisms. The management is confident of improving the operations by focusing on manufacturing of Cosmetics and Oral Contraceptive Pills.

### **2. RISKS AND CONCERNS:**

The Company undertakes risk management programmes to tackle strategic, regulatory, operational and financial as well as compliance-related risks across the organization. It includes risk assessment and mitigation at the company level, business / functional unit level, relationship level and project level. The Company ensures compliance of all applicable laws globally, including those relating to employment, taxation, trades, health, safety & environment company laws, establishment, SEBI Regulations and others applicable Laws and Rules. The risk management process is continuously improved and adapted to the changing global risk scenario. The agility of the risk management process is monitored and reviewed for appropriateness with the changing risk factors. The process of continuous evaluation of risks includes taking stock of the risk factors on an event driven as well as quarterly basis.

### **3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.



---

**4. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

Rs. in Lakhs

S.No.	Particulars	2016-17	2015-16
1	Revenues:	2064.22	2214.00
2	Expenditure:	1881.89	2032.19
3	Finance Costs:	0.85	1.06
4	Personnel Costs:	155.47	156.26
5	Profit Before Tax	26.01	24.49
6	Fixed Assets	1374.43	1411.38

**5. OUTLOOK:**

The Company will be focusing its strengths its Domestic Market through expansion of its activities and will make the necessary investment when attractive opportunities arise.

**6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

The Company believes that the Human Resources are vital resource in giving the Company a competitive edge in the current business. The Company's innovative human resources management strategies supported its business growth in a challenging environment. The Company's HRD policy focuses on creating an environment where performance is rewarded, individuals are respected and associates get opportunities to realize their potential. As in the past, the Company enjoyed cordial relations with the employees at all levels.

**7. DISCLOSURE OF ACCOUNTING TREATMENT.**

The Company in the preparation of the financial statements has followed the Accounting Standards notified pursuant the relevant provision of the Companies Act, 2013 read with applicable Accounting Standards, issued by the Ministry of Corporate Affairs. Indian Accounting Standards shall get applicable to the Company from FY 2017-18. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**8. OPPORTUNITIES AND THREATS**

The pace at which the pharmaceutical sector in India is growing has



increased the Opportunities for the company which can lead to healthy growth of the Company. The pharmaceutical sector is also exposed to various kinds of risks related to change in government policies, pricing of products, intense competition due to growth etc. The Company is well equipped to tackle the risks related to the business of the Company.

## **9. CAUTIONARY STATEMENT**

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

**For and on behalf of the Board of Directors  
For Pharmasia Limited**

Sd/-

**Maneesh R. Sapte**

Managing Director

DIN: 00020450

Place: Hyderabad

Date: 22nd August, 2017



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

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors for incorporating Good Corporate Governance Practices.

We confirm that the Company has in respect of the year ended March 31, 2017, the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Head - HR, Compliance Officer as on March 31, 2017.

**For and on behalf of the Board of Directors  
For Phaarmasia Limited**

Sd/-

**Maneesh R. Sapte**  
Managing Director  
DIN: 00020450

Sd/-

**Y. N. Bhaskara Rao**  
Whole-time Director  
DIN: 00019052

Place: Hyderabad

Date: 22nd August, 2017



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF M/s PHAARMASIA LIMITED, HYDERABAD

#### Report on the Financial Statements

We have audited the accompanying financial statements of "M/s **PHAARMASIA LIMITED**", which comprise the Balance Sheet as at **March 31, 2017**, the Statement of Profit and Loss, Cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 controls 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 Company's management and Board of Directors, 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.

### **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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at **31<sup>st</sup> March, 2017**;
- b) In the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date;
- c) In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

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

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 the Annexure-A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we further 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 purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



- c. The Balance Sheet , 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 applicable 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 March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company does not have any pending litigations which would impact its financial Position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
  - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note [29.3];

**For K.S.Ramakrishna & Co.,**  
**Chartered accountants**  
**Firm Regn No. 002888S**

Sd/-  
**(K.Rama Rao)**  
Partner  
M.No. 206039

Place: Hyderabad  
Date: 30-05-2017



**Annexure - A to INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) In respect of its Fixed Assets:
- a. The company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.
  - b. As per the information and explanation given to us, the Fixed Assets of the company have been physically verified by the management according to the phased programme, which is designed to cover all the Fixed Assets, at reasonable intervals and the said programme is considered reasonable, and no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company. The Company has taken 1233.14 Square Meters of land on lease for its unit II from Divya Lakshmi Enterprises for a period of 80 years .
- (ii) In respect of its Inventories:
- a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act; therefore the provisions of sub clauses (a), (b) and (c) of clause 3 (iii) of CARO, 2016 are not applicable to the Company;





- (iv) According to information given to us, the company has not given any loans, has not done any investment, not given any guarantees and provided securities which are covered u/s 185 and 186 of the companies Act, 2013. Hence this clause is not applicable.
- (v) According to the information and explanation given to us, the company has not accepted deposits within the meaning of the provisions of sections 73 to 76 of the Companies Act and the rules framed there under; therefore the provisions of this clause is not applicable to the Company;
- (vi) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.  
  
(b) According to the information and explanation given to us, there are no dues payable on account of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess pertaining to any dispute with the relevant authorities other than those mentioned in the notes to accounts.
- (viii) According to the information and explanation given to us, the Company has not Defaulted in repayment of dues to a financial institution or bank, Government or dues to debenture holders.
- (ix) According to the information and explanation to us, the company has no moneys raised by way of public offers (including debt instruments) no has the company taken any term loan.
- (x) Based on the audit procedures applied and according to the information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the year under audit.
- (xi) The Managerial Remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company.



- (xiii) According to information 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) 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) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For K.S.Ramakrishna & Co.,  
Chartered Accountants  
Firm Regn No. 002888S**

Sd/-  
**(K.Rama Rao)**  
Partner  
M.No. 206039

Place: Hyderabad  
Date: 30-05-2017



**Annexure - B to INDEPENDENT AUDITOR'S REPORT even date on the standalone Financial Statements of PHAARMASIA LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s PHAARMASIA LIMITED, Limited ("the Company") as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of 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 that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become



inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K.S.Ramakrishna & Co.,  
Chartered Accountants  
Firm Regn No. 002888S**

Sd/-  
**(K.Rama Rao)**  
Partner  
M.No. 206039

Place: Hyderabad  
Date: 30-05-2017



**PHAARMASIA LTD.,  
BALANCE SHEET AS AT 31ST MARCH 2017**

(Amount in Rs.)

	Particulars	Note No.	AS AT 31.03.2017	AS AT 31.03.2016
<b>I</b>	<b>EQUITY AND LIABILITIES :</b>			
(1)	<b>Shareholder's funds</b>			
	Share Capital	2	68269600	68269600
	Reserves and Surplus	3	51602223	50428291
	Shareholder's funds - Total		<u>119871823</u>	<u>118697891</u>
(2)	<b>Non-Current Liabilities</b>			
	Long Term Liabilities	4	458152	684663
	Long-Term Provisions	5	4685421	4024791
	Non-current liabilities - Total		<u>5143573</u>	<u>4709454</u>
(3)	<b>Current liabilities</b>			
	Trade Payables	6	53975221	34853206
	Other Current Liabilities	7	10598767	23483550
	Short-Term Provisions	8	6493423	5228237
	Current liabilities - Total		<u>71067411</u>	<u>63564994</u>
	<b>Total Equity and Liabilities</b>		<b>196082807</b>	<b>186972338</b>
<b>II</b>	<b>ASSETS :</b>			
(1)	<b>Non -Current Assets</b>			
	Fixed Assets			
	(i) Tangible Assets	9A	137108774	140803133
	(ii) Intangible Assets	9B	335000	335000
	<b>Fixed Assets - Total</b>		<u>137443774</u>	<u>141138133</u>
	Deferred Tax Assets (Net)	10	646456	646456
	Long-Term Loans and Advances	11	2318948	1192883
			<u>2965404</u>	<u>1839339</u>
	<b>Non-current Assets - Total</b>		<u>140409178</u>	<u>142977472</u>
(2)	<b>Current Assets</b>			
	Inventories	12	10301740	1892290
	Trade Receivables	13	35640711	29051446
	Cash and Cash Equivalents	14	1512757	4416028
	Short -Term Loans and Advances	15	25935	26435
	Other Current Assets	16	8192486	8608667
	<b>Current Assets - Total</b>		<u>55673629</u>	<u>43994866</u>
	<b>Total Assets</b>		<b>196082807</b>	<b>186972338</b>

See Accompanying Notes to the Financial Statements

As per our report even date attached

For **K.S.RAMAKRISHNA & CO.**

**CHARTERED ACCOUNTANTS**

Firm Regn. No. 002888S

Sd/-

**(K.RAMA RAO)**

Partner M.No.206039

Place: HYDERABAD

Date: 30-05-2017

For and on behalf of the Board

Sd/-

**MANEESH R. SAPTE**

**MANAGING DIRECTOR**

DIN:00020450

Sd/-

**Y.N.BHASKAR RAO**

**WHOLE-TIME DIRECTOR**

DIN: 00019052

Sd/-

**ABHISHEK WAKCHAURE**

**COMPANY SECRETARY**

A40891

Sd/-

**N.E.V.PRASAD RAO**

**C F O**



**PHAARMASIA LTD.,**  
**Profit & Loss Statement for the year ended 31-03-2017**

(Amount in Rs.)

Particulars		Note No	for the year ended 31.03.2017	for the year ended 31.03.2016
I	Revenue from Operations (Incl. Excise Duty)	18	200593695	216060619
II	Other Income	19	5828634	5339730
<b>III</b>	<b>Total Revenue (I + II)</b>		<b><u>206422329</u></b>	<b><u>221400349</u></b>
<b>IV</b>	<b>Expenses :</b>			
	Cost of Materials Consumed	20	64933781	59412453
	Purchases of stock-in-Trade	20a	2415000	0
	(Increase)/Decrease in Finished Goods & W.I.P	21	-22023	-539411
	Employee Benefits Expenses	22	15547354	15626344
	Finance Costs	23	84997	105828
	Depreciation	9a	4403409	4956305
	Excise Duty on Conversion /Jobworks	24	56999875	84509517
	Other Expenses (Adm. & Genl. Exp.)	25	59458371	54879904
	<b>Total Expenses :</b>		<b><u>203820764</u></b>	<b><u>218950940</u></b>
V	Profit before Tax (III-IV)		2601565	2449409
VI	Tax expense:			
	(1) Current Tax		1427633	1448932
	(2) Income Tax Paid ( Earlier Year)		0	582940
VII	Profit (Loss) after Tax for the period (V - VI)		1173932	417537
VIII	Earning per equity share (in Rs.):			
	(Basic)		0.17	0.06
	(Face value of Rs.10 per Share)			

See Accompanying Notes to the Financial Statements

As per our report even date attached

**For K.S.RAMAKRISHNA & CO.**

**CHARTERED ACCOUNTANTS**

**Firm Regn. No. 002888S**

Sd/-

**(K.RAMA RAO)**

Partner M.No.206039

Place: HYDERABAD

Date: 30-05-2017

For and on behalf of the Board

Sd/-

**MANEESH R. SAPTE**  
**MANAGING DIRECTOR**

DIN:00020450

Sd/-

**ABHISHEK WAKCHAURE**  
**COMPANY SECRETARY**

A40891

Sd/-

**Y.N.BHASKAR RAO**  
**WHOLE-TIME DIRECTOR**

DIN: 00019052

Sd/-

**N.E.V.PRASAD RAO**  
**C F O**



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Amount in Rs.)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / Loss before tax and extraordinary item	2601565	2449409
Adjustments for:		
Additions:		
Depreciation	4403409	4956305
Interest Paid	84997	105828
Less: Profit on Sale of Fixed Asset		-
<b>Operating Profit before Working Capital Changes</b>	<b>7089971</b>	<b>7511542</b>
Adjustments for Changes in Working Capital:		
Trade & Other Receivables	-6589265	-12973728
Inventories	-8409450	11041857
Loans & Advances (Short Term and Long Term)	500	7500
Other Current Assets	416181	-5745241
Other Liabilities	-11619597	-37063
Trade Payables	19122015	5226541
<b>Cash Generated From Operations</b>	<b>10354</b>	<b>5031408</b>
Direct Taxes	-1427633	-2241724
<b>NET CASH FLOW OPERATING ACTIVITIES (A):</b>	<b>-1417279</b>	<b>2789684</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	-709049	2769890
Sale of Fixed Assets		-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>-709049</b>	<b>-2769890</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest/Finance Charges Paid	-84997	-105828
Increase / Decrease in Long Term Borrowings	434119	477394
Increase / Decrease Long Term Loans & advances	-1126065	1269300
<b>NET CASH FLOW FROM FINANCING ACTIVITIES ( C ) :</b>	<b>-776943</b>	<b>1640866</b>
<b>Net Increase/ (Decrease) in cash and Cash equivalents (A+B+C)</b>	<b>-2903271</b>	<b>1660660</b>
Cash and Cash equivalents as at 01.04.2016	4416028	2755368
<b>Cash and Cash equivalents as at 31.03.2017</b>	<b>1512757</b>	<b>4416028</b>

See Accompanying Notes to the Financial Statements

As per our report even date attached

For and on behalf of the Board

**For K.S.RAMAKRISHNA & CO.**

Sd/-

Sd/-

**CHARTERED ACCOUNTANTS**

**MANEESH R. SAPTE**

**Y.N.BHASKAR RAO**

**Firm Regn. No. 002888S**

**MANAGING DIRECTOR**

**WHOLE-TIME DIRECTOR**

Sd/-

DIN:00020450

DIN: 00019052

**(K.RAMA RAO)**

Partner M.No.206039

Sd/-

Sd/-

Place: HYDERABAD

**ABHISHEK WAKCHAURE**

**N.E.V.PRASAD RAO**

Date: 30-05-2017

**COMPANY SECRETARY**

**C F O**

A40891





---

## NOTES TO ACCOUNTS

### SIGNIFICANT ACCOUNTING POLICIES

- 1 The financial statements have been prepared in accordance with the Revised Schedule III of the Companies Act 2013 to the extent applicable and the necessary details have been disclosed in the said statement as per Part I, & II of the Schedule III.

**Fixed Assets:** Fixed Assets up to 31st March 2016 are stated at Revalued cost as per the Valuation Report Dt.22-05-2015 Assets Purchased on or after 1st April, 2016 are stated at cost plus applicable taxes if any.

**Depreciation:** Depreciation is provided as per Written Down Value method at the rates specified in the Schedule – II of the Companies Act, 2013.

#### Current Assets :

#### INVENTORIES:

1. Raw Materials are valued at cost on first in first out method.
2. Packing Materials are valued at cost on first in first out method.
3. Stock in process is valued at cost, including manufacturing expenses.
4. Finished Goods are valued at cost of materials and process .

**Sundry Debtors:** Sundry Debtors are taken at book value after Providing for un-realisesables if any;

**Income & Expenditure:** Accounted on accrual basis.

**Revenue Recognition :** Sales includes Sales, Jobwork charges including Excise duty paid

#### Segment Reporting:

The Company operates in a solitary business segment i.e., pharmaceuticals and Bulk Drugs, comprising mainly manufacture of formulations and creams, which as per Accounting Standard – AS17 is considered as the only one reportable business segment. The company also manufactures skin/face Creams and tooth paste both covered under Drugs & Cosmetics Act, with valid Drug Licenses obtained and they are also treated as same business segment. Accordingly, no further financial information for business segment is required to be given.



**BALANCE SHEET:**

	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
--	---	---

**2. SHARE CAPITAL**

2.1 Authorised Capital

(10000000 Equity shares of Rs. 10/- each) 100000000 100000000

2.2 IssuedSubscribed and Paid up Capital 68269600 68269600

(6826960 shares of Rs.10 each fully paid up) 68269600 68269600

2.3 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

	As at 31-03-2017		As at 31.03.2016	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
Outstanding at the beginning of the year	6826960	68269600	6826960	68269600
Shares issued during the year	-	-	-	-
outstanding at the end of the year	6826960	68269600	6826960	68269600

2.4 Details of Shareholders holding more than 5% (percent) shares in the Company:

	As at 31-03-2017		As at 31.03.2016	
	No. of shares	% of holding	No. of shares	% of holding
MANEESH PHARMACEUTICALS LIMITED	3014232	44.15	3014232	44.15
SVIZERA LABS PVT. LTD.	2000000	29.30	2000000	29.30

2.5 The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
--	---	---

### 3. RESERVES AND SURPLUS

Revaluation Reserve	42405571	55206423
(Land is revalued during the FY 14-15) & other Assets are revalued on April 1st, 2015		
Less: Decrease in value due to Revaluation	0	12800852
	<u>42405571</u>	<u>42405571</u>
Capital Reserve	9687063	9687063
	<u>9687063</u>	<u>9687063</u>

#### Surplus in Profit & Loss Account

As per last Balance Sheet	-1664343	-2081881
Add: Transfer from Profit & Loss Account	1173932	417537
	<u>-490411</u>	<u>-1664343</u>
	<u>51602223</u>	<u>50428291</u>

As per the New Companies Act, the depreciation on revalued assets are to be charged directly to the profit and loss account, thus the total depreciation for the current year is charged to profit and loss Statement

### NON-CURRENT LIABILITIES:

#### 4. LONG TERM LIABILITIES

Car Loan - HDFC Bank	684663	888675
Less: Current Portion	226511	204012
	<u>458152</u>	<u>684663</u>



	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
<b>5. LONG TERM PROVISIONS</b>		
PROVISION FOR EMPLOYEE BENEFITS		
Provision for Pension and Gratuity		
As per the last balance sheet	4024791	3333181
Add: Additions during the year	670630	691610
Less: Payments/adjustments during the year	10000	0
	<u><b>4685421</b></u>	<u><b>4024791</b></u>
Gratuity is provided only for the completed period of service. No provision has been made for leave encashment as company's H.R. Policy does not allow Leave encashment		
<b>CURRENT LIABILITIES</b>		
<b>6. TRADE PAYABLES</b>		
	53975221	34853206
	<u><b>53975221</b></u>	<u><b>34853206</b></u>
<b>7. OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Car Loan	226511	204012
(b) Other payables		
For Employee Benefits	2214059	2160991
For Expenses	1005288	871103
Others	7152909	20247444
	<u><b>10598767</b></u>	<u><b>23483550</b></u>
<b>8. SHORT-TERM PROVISIONS</b>		
(a) Statutory Provisions		
As per the last balance sheet	3779305	85865
Add: Additions during the year	90404614	128597404
Less: Payments/Adjustments during year	89118129	124903964
<b>Sub - total</b>	<u><b>5065790</b></u>	<u><b>3779305</b></u>
(b) OTHERS - Provision for Taxation:		
Provision for Income Tax		
As per the last balance sheet	1448932	2241724
Add: Additions during the year	1427633	1448932
Less: Payments/adjustments during year	1448932	2241724
<b>Sub - total</b>	<u><b>1427633</b></u>	<u><b>1448932</b></u>
<b>TOTAL</b>	<u><b>6493423</b></u>	<u><b>5228237</b></u>



**9A. FIXED ASSETS AND DEPRECIATION: - 2016-17 - TANGIBLE ASSETS :** (Amount in Rs.)

Sl. No.	NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Original Cost as on 1.4.2016	Additions During the Period	TOTAL UP TO 31.03.2017	UP TO 31.3.2016	FOR THE YEAR	UP TO 31.03.2017	Total as on 31.03.2016	Total as On 31.03.2017
1	Land	106,639,720	0	106,639,720	0	0	0	106,639,720	106,639,720
2	Building	92,194,998	0	92,194,998	72,345,028	1,890,914	74,235,941	19,849,971	17,959,057
3	Computers	163,701	16,000	179,701	157,913	15,460	173,373	5,788	6,328
4	Plant & M/c	24,059,542	79,275	24,138,817	20,962,054	569,375	21,531,429	3,087,488	2,607,388
5	Tanks & Vessels	17,365,423	0	17,365,423	15,739,319	226,811	15,966,130	1,626,104	1,399,293
6	Pumps & Motors	1,811,878	0	1,811,878	1,608,551	36,903	1,645,454	203,327	166,424
7	Packaging Eqpt	28,895,226	0	28,895,226	26,942,098	272,424	27,214,523	1,953,128	1,680,703
8	Service Eqpt	40,235,904	0	40,235,904	36,468,869	525,430	36,994,299	3,767,035	3,241,605
9	Weighing M/c	1,188,563	0	1,188,563	1,061,569	17,713	1,079,282	126,994	109,281
10	Lab Equipment	9,518,906	213,200	9,732,106	8,277,256	251,786	8,529,042	1,241,650	1,203,064
11	Air Conditioners	3,499,383	47,518	3,546,901	2,858,641	92,613	2,951,254	640,742	595,647
12	Electrical Instn.	12,273,320	0	12,273,320	11,737,249	139,169	11,876,418	536,071	396,902
13	Office Eqpt	2,443,241	15,120	2,458,361	2,432,138	10,077	2,442,215	11,103	16,146
14	Furniture&Fitting	3,102,863	337,936	3,440,799	2,790,670	106,770	2,897,440	312,193	543,359
15	Vehicle	1,230,764	0	1,230,764	438,945	247,963	686,907	791,819	543,857
	<b>T O T A L</b>	<b>344,623,432</b>	<b>709,049</b>	<b>345,332,481</b>	<b>203,820,299</b>	<b>4,403,408</b>	<b>208,223,707</b>	<b>140,803,133</b>	<b>137,108,774</b>

**9B. Intangible Assets:**

Sl. No.	NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Original Cost as on 1.4.2016	Additions During the Period	TOTAL UP TO 31.03.2017	UP TO 31.3.2016	FOR THE YEAR	UP TO 31.03.2017	Total as on 31.03.2016	Total as On 31.03.2017
1	Good Will	335,000	0	335,000	0	0	0	335,000	335,000
	<b>T O T A L</b>	<b>335,000</b>	<b>0</b>	<b>335,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>335,000</b>	<b>335,000</b>



	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
--	---	---

### 10. DEFERRED TAX ASSET (NET)

As per Accounting Standard (AS -22) on accounting for Taxes on income of the Companies (Accounting Standards) Rules 2006 the deferred tax liability as on 31st March comprises of the following:

Opening Deferred Tax (Liability)/ Asset	646456	646456
Add:Current Year Deferred Tax(Liability)/ Asset	0	0
<b>Net Deferred Tax (Liability)/ Asset</b>	<b>646456</b>	<b>646456</b>

Timing difference on account of depreciation results in Deferred Tax Asset, but the same is not created as the availment is unlikely in near future.

### 11. LONG-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Security Deposits	1116394	1116394
Deposit with CMSS	1128665	0
Advances to Staff	73889	76489
<b>TOTAL</b>	<b>2318948</b>	<b>1192883</b>

### CURRENT ASSETS

#### 12 INVENTORIES (As certified by the Management)

##### 12.1 Materials:

Raw materials	6566524	663467
Packing Materials	3009502	525133
Finished goods	60000	327500
Work in Process(W.I.P)	665714	376191
<b>TOTAL</b>	<b>10301740</b>	<b>1892290</b>

### 13. TRADE RECEIVABLES

(Unsecured and Considered Good)

(a) Debtors outstanding for Less than 6 months from due date	35640711	19827539
(b) Debtors outstanding for more than 6 months from due date	0	9223906
<b>TOTAL</b>	<b>35640711</b>	<b>29051446</b>

NOTES: All Outstanding balances for Trade Payables, Sundry debtors, Acceptances and Loans and advances are subject to confirmation.



	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
<b>14. CASH AND CASH EQUIVALENTS</b>		
Balances with Banks	1456693	4406811
Cash on Hand	56064	9217
<b>TOTAL</b>	<b>1512757</b>	<b>4416028</b>
<b>15. SHORT - TERM LOANS AND ADVANCES</b>		
Advances Recoverable in Cash or in Kind for the value to be received	25935	26435
<b>16 OTHER CURRENT ASSETS</b>		
Pre-paid Expenses	142933	118587
Other Deposits	6011588	4154905
Others Receivables	2037965	4335175
	<b>8192486</b>	<b>8608667</b>
<b>17. CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)</b>		
Contingent Liabilities	NIL	NIL
Note: The Income Tax Assessments/Appeals from AY 2006-07 to 2010-11 and AY2013-14 are completed and the demands are paid/provided in the books. For the A Y 2011-12 and 2012-13, against the demand for Rs.23399650/- the company has filed appeals which are also heard and the management is hopeful of allowing appeal/favourable order and hence not provided and also in view of all the previous appeals allowed with similar and other issues.		
<b>18. REVENUE FROM OPERATIONS</b>		
A. Net Sales		
Sales	96917937	68400182
Traded goods	2790625	0
	<b>99708562</b>	<b>68400182</b>
B. Processing Charges (including excise duty paid) *	100885133	147660437
<b>Total</b>	<b>200593695</b>	<b>216060619</b>



	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
<b>19. OTHER INCOME</b>		
Interest earned	40788	41313
Misc. Income	38000	39900
Commission Income	5749846	5258517
<b>TOTAL</b>	<b>5828634</b>	<b>5339730</b>
<b>EXPENDITURE</b>		
<b>20. MATERIALS CONSUMED</b>		
<b>A. Raw Materials</b>		
Opening Stock	663467	8613088
Add: Purchases	46243653	33645296
	46907120	42258384
Less: Closing Stock	6566524	663467
TOTAL "A"	40340595	41594917
<b>B. Packing Materials</b>		
Opening Stock	525133	4156779
Add: Purchases	27077555	14185889
	27602688	18342668
Less: Closing Stock	3009502	525133
<b>TOTAL "B"</b>	<b>24593185</b>	<b>17817535</b>
<b>TOTAL A + B</b>	<b>64933781</b>	<b>59412453</b>
20a Trade Purchases	2415000	0
<b>21. INCREASE/DECREASE IN STOCKS</b>		
<b>Opening Stocks</b>		
Finished Goods - Own	327500	164280
Work in Progress	376191	0
	<b>703691</b>	<b>164280</b>





	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
<b>Closing Stocks</b>		
Finished Goods - Own	60000	327500
Work in Progress	665714	376191
	<u>725714</u>	<u>703691</u>
INCREASE/DECREASE IN STOCKS	<u>(22023)</u>	<u>(539411)</u>
<b>22. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & Wages	10923137	10425383
Director Remuneration	1280000	1120000
ESI Company Contribution	176642	191109
Staff Welfare, Recruitment Expenses	629835	1117111
PF Company contribution	705585	738554
Other Allowances	202835	320838
Bonus	83945	156938
Exgratia & Gratuity	1545375	1556411
<b>Sub - Total</b>	<u><b>15547354</b></u>	<u><b>15626344</b></u>
22.1 The contribution to pension/gratuity fund includes the following:		
22.2 Defined Contribution Schemes-State Plans		
a) Employees' Provident Fund Scheme 1995	705585	738554
22.3 Defined benefit Schemes		
a) Gratuity as per Gratuity Act 1972 for other employees	670630	691610
<b>23. FINANCE COSTS</b>		
(a) Interest expense		
Interest on Vehicle Loan from Schedule Banks	84997	105828
Interest -others	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<u><b>84997</b></u>	<u><b>105828</b></u>
24 * Excise Duty on Conversion/ Jobworks (HDC PLA Paid)	<u>56999875</u>	<u>84509517</u>



	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
<b>25. OTHER EXPENSES</b>		
<b>a) Manufacturing &amp; Other Expenses</b>		
Laboratory Chemicals & Analysis	460056	332997
Freight Outward & Cartage	959038	1609682
Power Fuel and Water.	9759306	8770395
Labour charges & Job Work Charges	14799361	18342607
Consumable Stores	2646831	2605789
<b>Sub - Total</b>	<b>28624592</b>	<b>31661470</b>
<b>b) REPAIRS AND MAINTENANCE EXPENSES</b>		
Car Upkeep	414534	299520
Factory Maintenance	793086	543481
Laboratory Maintenance	2285441	1057649
Repairs & Maintenance - Electrical	989794	1142418
Repairs & Maintenance- Buildings	1867379	1696240
Repairs & Maintenance- Machinery	3971180	2682336
Repairs & Maintenance- Airconditioners	49000	255788
Repairs & Maintenance (Others)	186416	222046
Repairs and Maintenance Computers	63498	35387
<b>Sub - Total</b>	<b>10620328</b>	<b>7934865</b>
<b>c) ADMINISTRATION &amp; GENERAL EXPENSES</b>		
Insurance	220351	261922
Licence Fees, Rates & Taxes	462388	517071
Property Tax	1071560	1058610
Travelling Expenses	718606	949812
Consultancy Charges	507390	765550
Product Development charges	4824000	0
Conveyance Expenses	1446159	1650908
Postage Telegram & Telephones	353876	356523
Rent (Machinery)	238900	258000
Subscriptions	89299	27992
Advertisement	61592	85696



	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
Office Expenses	22980	46214
Audit Fees	69000	68700
Internal Audit Fee	9000	9000
Sitting Fee	140000	160000
Technical Audit Fees	91600	162436
Printing and stationery	688167	837988
Security Charges	2932707	2811103
AGM Expenses	647195	648874
Sales Tax - CST paid	325032	49712
Transport Charges (commission)	84371	201938
Commission Expenses	5209278	4355520
Sub - Total	<u>20213451</u>	<u>15283569</u>
Total( a+b+c )	<u>59458371</u>	<u>54879904</u>

Notes: The Sales Tax CST Assessment of the Company is completed upto accounting year-2014-15. For the Year 2015-16 & 2016-17 assessments are pending. Management is of the opinion that there will not be any additional liability arises other than provided for.

## 26. RELATED PARTY DISCLOSURES

As per the Accounting Standard on "Related Party Disclosures" AS-18, issued by the ICAI, the related parties of the Company are as follows.

### 27.1 RELATED PARTIES:

Maneesh Pharmaceuticals Limited  
Svizera Health Remedies  
Meghdoot Chemicals Ltd.,

### 27.2 Board of Directors

- Mr. Maneesh R. Sapte -- Managing Director
- Mr. Y.N. Bhaskar Rao -- Whole-time Director
- Mr. Vinay R.Sapte -- Non-executive Director
- Mrs. Rashmi V.Sapte -- Non-executive Director



- Mr. Bharat B Merchant -- Non-executive Independent Director
- Mr. Pravin Hegde -- Non-executive Independent Director appointed on 14-02-2017

	As at 31st March, 2017 (Amount in Rs)	As at 31st March, 2016 (Amount in Rs)
--	---	---

### 27.3 Transactions with the related party during the year(2016-17)

Director Remuneration		
Mr. Y.N.Bhaskara Rao	1280000	1120000
Sitting Fees		
(Mr.Bharat B. Merchant, Mr.Bhupinder N.Garg, Mr.Vinay Sapte, Mrs. Rashmi Sapte & Pravin Hegde)	140000	160000
Purchases & Services		
Maneesh Pharmaceuticals Limited	31987003	17399509
Sales		
Maneesh Pharmaceuticals Limited	5416924	5457470

### 27.4 Balances with the related party to the end of the year

Maneesh Pharmaceuticals Limited-	20659270 Cr.	11638250 Cr.
Svizera Health Care	2117791 Cr.	1458394 Cr.
Meghdoot Chemicals Ltd	-	1791822 Dr.

### 28. ADDITIONAL INFORMATION:

Class of goods manufactured	2016-17	2015-16
Liquid Orals, Tablets & Powders :		
1. Licensed Capacity	N.A.	N.A.
2. Installed Capacity on Single Shift Basis		
Liquids in KL	6000 P.A	6000 P.A
Tablets in Millions	5400 P.A	5400 P.A
Capsules in Millions	3000 P.A	3000 P.A
Pastes, Creams & Ointments in M.T	4500 P.A	4500 P.A
3. Actual Production		
a) For conversion		
Liquids (KL)	223.510	231.25
Pastes & Creams(MT)	1732.937	2842.65



	2016-2017	2015-16
b) Own Production :		
Liquids (KL)	0	0
Tablets(Millions)	1059.84	486.00
Pastes & Creams(MT)	0	0
Opening Stock of Finished Goods :		
Liquids (KL)	0	0
Tablets(Millions)	21.59	0.62
Pastes & Creams(MT)	0	0
Closing Stock of Finished Goods :		
Liquids (KL)	0	0
Tablets(Millions)	0.84	21.59
Pastes & Creams(MT)	0	0

Particulars	2016-2017		2015-2016	
	Qty.	Value in '000	Qty.	Value in '000
Sales Turnover & Processing charges :				
Tablets(Millions)	1080.59	96917.94	465.03	68400.18
Pastes & Creams(MT)	0.00	0.00	0.00	0.00
Traded Goods / Commission		8578.47		5298.42
Procession & Conversion (Incl. Excise Duty paid)		100885.13		147660.44
<b>Total</b>	<b>1080.59</b>	<b>206381.54</b>	<b>465.03</b>	<b>221359.04</b>



## Consumption of Raw Materials &amp; Packing Materials

Stock Item	2016-17		2015-16	
	QTY	Value (Rs. In '000)	QTY	Value (Rs. In '000)
Levonogestrel	64.38	11805.60	65.28	11971.57
Ethenylestradial	4.70	902.39	14.28	2738.44
Ferrous Fumarate	31150.00	5719.14	20478.00	3759.76
Ethyl Cellulose	7535.18	3489.92	8936.00	4138.71
Iso Propyl Alcohol	25025.61	4054.65	17319.52	2806.11
S.S.G	2201.16	261.94	2440.58	290.43
PVPK-30	1709.01	898.94	1851.00	973.63
Lactose	50412.02	9577.78	58954.50	11200.77
Magnesium Sterate	988.33	176.42	878.58	156.83
Maize Starch	8294.50	355.34	11130.29	476.82
Talcum Powder	1704.59	55.64	1558.79	50.88
Essence Chemical & Others		3630.35		3030.98
Total(A)		40928.10		41594.91
Consumption of Packing Matetial like Laminated Tubes PVC Foils, Alu.Foils, Cartoons & Catch Cards(B)		24593.19		17817.54
Total Consumption (A+B)		65521.29		59412.45

## Value of Imported Raw Materials, spare parts &amp; components consumed:

	2016-17		2015-16	
	Value	(Rs in '000)	Value	(Rs in '000)
29. Exports & Imports		0.00		0.00
29.1 Expenses in Foreign currency		Nil		Nil
29.2 Earnings in Foreign currency		Nil		Nil
30. Regrouping and rearrangement of Previous year's figures				



31. Previous year's figures have been regrouped/rearranged wherever necessary.

32 Compliance with reference to the disclosure regarding the Specified Bank Notes (SBNs) held and transacted during the period from 08th November, 2016 to 30th December, 2016 as per the notification No.G.S.R. 307(E) and G.S.R. 308 (E) dated 30th March, 2017 issued by Ministry of Company Affairs vide as provided in the Table below:-

Description	SBNs (Old 500 and 1000)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	0	23058	23058
(+) Permitted receipts (Withdrawn from Bank)	0	160000	160000
(-) Permitted payments	0	183058	183058
(-) Amount deposited in Banks	0	0	0
Closing cash in hand as on 30.12.2016	<b>0</b>	<b>32846</b>	<b>32846</b>

See Accompanying Notes to the Financial Statements

As per our report even date attached

**For K.S.RAMAKRISHNA & CO.**

**CHARTERED ACCOUNTANTS**

**Firm Regn. No. 002888S**

Sd/-

**(K.RAMA RAO)**

Partner M.No.206039

Place: HYDERABAD

Date: 30-05-2017

For and on behalf of the Board

Sd/-

**MANEESH R. SAPTE**

**MANAGING DIRECTOR**

DIN:00020450

Sd/-

**ABHISHEK WAKCHAURE**

**COMPANY SECRETARY**

**A40891**

Sd/-

**Y.N.BHASKAR RAO**

**WHOLE-TIME DIRECTOR**

DIN: 00019052

Sd/-

**N.E.V.PRASAD RAO**

**C F O**



**PHAARMASIA LIMITED**

**CIN: L24239TG1981PLC002915**

16, Phase III, I.D.A., Jeedimetla, Hyderabad – 500 055

Telephone: 040-23095002/23095690

**Form No. MGT-11**

**PROXY FORM**

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

CIN : **L24239TG1981PLC002915**

Registered folio no. / Client ID  
Name of Company : **Phaarmasia Limited**

Registered office : 16, Phase III, I.D.A, Jeedimetla, Hyderabad-500 055

Name of member(s) :

Registered address :

Email ID :

Folio No/Client ID :

DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : .....
- Address : .....
- E-mail Id : .....
- Signature: ....., or failing him
2. Name : .....
- Address : .....
- E-mail Id : .....
- Signature: ....., or failing him
3. Name : .....
- Address : .....
- E-mail Id : .....
- Signature: .....

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the Company to be held on, Friday, the 22<sup>nd</sup> day of September, 2017 at 03.00 P.M at the registered office of the company situated at 16, Phase – III, I.D.A, Jeedimetla, Hyderabad, Telangana - 500055 and at any adjournment thereof in respect of such resolutions

as are indicated below

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinay R. Sapte (DIN:00135085), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
3. To consider and approve the appointment of M/s. Sathuluri & Co, Chartered Accountants as the Statutory Auditors of the company.





4. To consider and regularize the appointment of Mr. Pravin Hegde (01404954) as an Independent Director of the Company.
5. To consider and approve the enhancement in remuneration of Mr. Y. N. Bhaskara Rao, Whole Time Director.

Signed this ..... day of ....., 2017

\_\_\_\_\_  
Signature of member

\_\_\_\_\_  
Signature of proxy

[ - - - - ]  
[ Affix ]  
[ Revenue ]  
[ Stamp ]  
[ - - - - ]

Note: This form of proxy, in order to be effective should be duly completed, signed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting.

---



**PHAARMASIA LIMITED**

**CIN: L24239TG1981PLC002915**

16, Phase III, I.D.A., Jeedimetla, Hyderabad – 500 055

Telephone: 040-23095002/23095690

**ATTENDANCE SLIP**

**36TH ANNUAL GENERAL MEETING**

**TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL**

I hereby accord my presence at the 36th Annual General Meeting of the Company at the registered office of the Company situated at 16, Phase III, I.D.A, Jeedimetla, Hyderabad, Telangana – 500 055 on Friday, the 22nd Day of September, 2017 at 03.00 P.M

Name of the member: ..... Regd Folio No/Client ID No*: .....
---

Name of the Proxy/Representative (in Block Letters) (To be filled in if the proxy/representative attends instead of Member) : .....
--

Signature of member or proxy/representative .....
---

\* applicable for members holding shares in demat mode

## Route Map for Venue of AGM



**BOOK - POST**  
**PRINTED MATTER**



If Undelivered please return to :

**PHAARMASIA LIMITED**

Regd. Office : 16, Phase-III, I.D.A.  
Jeedimetla, Hyderabad - 500 055.