



PHAARMASIA

**39th
ANNUAL REPORT
2019-2020**



PHAARMASIA LIMITED

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

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CORPORATE INFORMATION

Board of Directors

Mr.Maneesh R. Sapte	Managing Director
Mr.Y. N. BhaskaraRao	Whole-Time Director
Mr.VinayRamakantSapte	Non-Executive Director
Mrs.RashmiVinaySapte	Non-Executive Director
Mr.PravinHegde	Independent Director
Mr.AjitJamkhandikar	Independent Director

Chief Financial Officer

Mr. N.E.V Prasad Rao

Company Secretary

Urvashi Bhatia (Appointed on 03.01.2020)

Statutory Auditor:

M/sSathuluri& Co.
Chartered Accountants
H. No. 3-4-529/6,
GopammaNilayam,
Chitrapuri Colony,
Narayanguda,
Hyderabad – 500 027

Secretarial Auditor:

ShriSricharan
Company Secretaries

Internal Auditors:

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

Bankers

HDFC Bank
Axis Bank
Indian 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 39th Annual General Meeting of the Members of **PHAARMASIA LIMITED** will be held on Tuesday, the 29th September, 2020 at 02.30 P.M through video conferencing (VC) / other audio visual means (OAVM) to transact 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, 2020, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rashmi R. Sapte (DIN:00334247), who retires by rotation at this Annual General Meeting, and being eligible, offers herself for re-appointment.

**By the order of the Board of Directors
For Phaarmasia Limited**

Sd/-

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

**Registered office:
16, Phase III, IDA, Jeedimetla,
Hyderabad, Telangana - 500055**

Date: 4th September, 2020

Notes:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. In this regard, the 39th Annual General Meeting will be held through VC/OAVM and Members can attend and participate in the ensuing AGM through VC/OAVM. Since the AGM will be held through VC, the route map, proxy form and attendance slip are not attached to this Notice.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 29, 2020. Members seeking to inspect such documents can send an email to phaarmasia@gmail.com.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://phaarmasia.in>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
10. The Board has appointed Mr. N.V.S.S. Suryanarayana Rao, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
11. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL, and RTA and will also be displayed on the Company's website <http://phaarmasia.in>.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 26th September, 2020 at 9:00 AM and ends on 27th September, 2020 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on “Shareholders” module.

(v) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Shareholders 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">• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **phaarmasia@gmail.com/info@vccipl.com**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **phaarmasia@gmail.com/info@vccipl.com**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **phaarmasia@gmail.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

**By the order of the Board of Directors
For Pharmasia Limited**

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

Date: 4th September2020

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

Particulars	Mrs Rashmi Vinay Sapte
Director Identification Number	00334247
Date of Birth	09/02/1962
Nationality	Indian
Date of Appointment	14-02-2015
Qualifications	B.A with major History/ Politics. Post Graduation Certification in Office Automation.
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)	As per Note 2 below

Note. 1

Sr. No.	Name of Company	Designation
1	Maneesh Pharmaceuticals Limited	Director
2	Svizera Healthcare Private Limited	Director
3	Svizera Labs Private Limited	Director
4	Phaarmasia Limited	Director
5	Mantech Counting And Systems Llp	Designated Partner
6	Cardex Lifecare Llp	Designated Partner

Note. 2

Sr. No.	Name of Company	Designation
1	Maneesh Pharmaceuticals Limited	Director

BOARD'S REPORT

To
The Members
Pharmasia Limited

Your Directors have pleasure in presenting the 39th Annual Report together with and the Audited Statement of Accounts for the year ended 31st March, 2020.

1. Financial summary or highlights/Performance of the Company

The performance during the period ended 31st March, 2020 has been as under:

(Rs. In Lakhs)

Particulars	31 st March, 2020	31 st March, 2019
Sales & Other Income	2503.14	2625.90
Operating profit before Financial Charges & Depreciation	139.64	132.95
Financial Charges	3.68	3.68
Profit before Depreciation	135.96	129.27
Depreciation	39.89	46.16
Profit / (Loss) before taxes	96.07	83.11
Prior Period Expenses	0.00	0.00
Provision for Taxation of Current Year	26.57	25.23
Deferred Tax for the Current Year	15.52	(19.87)
Net profit after taxes	53.98	77.74
Other comprehensive income	5.22	1.65
Dividend (including tax on Dividend)	0.00	0.00
Balance of profit brought forward	59.20	79.39

2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS:

During the year under review, the gross revenue of the Company decreased to Rs.2503.14 Lakhs as compared to Rs.2625.90 Lakhs in the previous year. Profit after tax for the year decreased to Rs.53.98 Lakhs as compared to Rs. 77.74 Lakhs in the previous year.

3. SEBI GUIDELINES FOR STRENGTHENING AND RAISING INDUSTRY STANDARDS

SEBI with regards to Strengthening the Guidelines and Raising Industry standards for RTA, Issuer Companies and Banker to an Issue to issue the Intimation letter to the Shareholders of the Company calling for their bank mandate by way of cancelled cheque along with PAN and other details. Necessary intimation in this regards for shareholder is enclosed herewith.

4. FUTURE OUTLOOK:

Continuing positively from the FY 2019-20, The Company is expecting consolidate its strength and develop a state of art manufacturing facility and expand its products segments and widening of its domestic market segments in the narrow future, we expect steady and continuous growth in the financial years ahead.

5. 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, 2020 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.

6. DIVIDEND:

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

7. TRANSFERS TO RESERVES:

No Profits during the year were transferred to Reserves during the financial year 2019-20. However, profit for the year forms part of surplus.

8. LISTING

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 to BSE where the Company's Shares are listed.

9. MEETING OF THE BOARD:

The Board of Directors duly met 4(Four) times on 30-05-2019, 14-08-2019, 14-11-2019, and 13-02-2020 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.

The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL.

Reappointment:

Mrs. Rashmi Vinay Sapte, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment.

11. 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 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 directors have prepared the annual accounts on 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.

12. 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.

13. 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:

Executive Directors	Ratio to Median remuneration
Yallapragada Naga Bhaskara Rao	3.31:1
Maneesh Ramakant Sapte	Nil
Offered Directors	NIL

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

Directors, CEO, CFO and Company Secretary	% increase in Remuneration in the Financial Year.
Maneesh Ramakant Sapte	Nil
Y.N. Bhaskara Rao	10%
Vinay Ramakant Sapte	Nil
-	-
-	-
Rashmi Vinay Sapte	Nil
Pravin Hegde	Nil
-	-
Abhishek Wakchaure	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: 19 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	Particular	As at March 31, 2020	As at March 31, 2019
1.	Market Capitalization	9,48,94,744	11,50,34,276
2.	Price Earnings Ratio	17.60:1	14.78:1

- 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 10.00 %

- g. Directors hereby affirm that the remuneration is as per the remuneration policy of the company.

14. 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.

15. BOARD EVALUATION

The Board of Directors of the Company carried out the Annual evaluation 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.

16. 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.

17. 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 is placed on the website of the Company i.e <http://phaarmasia.in>

18. STATUTORY AUDITORS

Sathuluri & Co, Chartered Accountants, were appointed as Statutory Auditors for 5 years at the 36th AGM held on 22nd September, 2017. They have confirmed that they are not disqualified to acts as Statutory Auditors of the Company.

19. REPLIES TO AUDITORS REPORT:

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

SECRETARIAL AUDIT REPORT:

In terms of Section 204 of the Act and Rules made there under, Mr. Nagamalla Sricharan, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company for the financial year under review.

Secretarial Audit Report as provided by Mr Nagamalla Sricharan, Practicing Company Secretary is enclosed as **Annexure I** to this report.

20. COST AUDITORS

The provisions of Section 148 of the Companies Act, 2013 does not apply to the Company and hence, no Cost Auditors are appointed.

21. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the Secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

22. INTERNAL AUDIT & CONTROLS

The Company has appointed M/s. Thirupathi & Associates, as its Internal Auditors for the financial year 2019-20. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

23. VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established.

24. RISK MANAGEMENT POLICY

The Risk Management Policy is in place in the Company enables the Company to proactively take care of the internal and external risks of the Company and ensures smooth business operations.

The Company's risk management policy ensures that all its material risk exposures are properly covered, all compliance risks are covered and the Company's business growth and financial stability are assured. Board of Directors decide the policies and ensure their implementation to ensure protection of Company from any type of risks.

25. SECRETARIAL STANDARDS

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

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No other significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

27. 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.

28. 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.

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The details regarding transaction with related parties covered under section 188 of the Companies Act, 2013 are given in '**Annexure II**' and forms part of this report.

30. 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;

Notechnologisimportedduringfinancialyear2019-20

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

(C) Foreign exchange earnings and Outgo

Foreign Exchange Inflows:Rs. 33.57 Lakhs

Foreign Exchange Outflows: INR Nil

31. 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 statutes, 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.

32. INSURANCE:

The Properties and assets of your Company are adequately insured.

33. 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.

34. 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 as

Annexure III.

35. 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 2019-20.

36. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

37. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. 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. No complaints were received during the year.

38. 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.

39. 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/-

sd/-

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

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

Place: Hyderabad

Date: 4thSeptember2020

Annexure-I

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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, 2020, ("**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, 2020 according to the provisions of:

1. 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;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;

4. 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 period*

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
Not Applicable to the Company during the Audit period
 - e) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
Not Applicable to the Company during the Audit period
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not Applicable to the Company during the Audit period
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
Not Applicable to the Company during the Audit period
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
Not Applicable to the Company during the Audit period

6. 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 report further that, during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

Sd/-

NagamallaSricharan
Practicing Company Secretary
Membership Number: A51756
Certificate of Practice Number: 22919

Hyderabad, 27th August, 2020

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

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.

Sd/-

Nagamalla Sricharan
Practicing Company Secretary
Membership Number: A51756
Certificate of Practice Number: 22919

Hyderabad, 27th August, 2020

Annexure-II

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

2.1

- (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 2019-20
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - Goods Sold – Rs. 62,709,265
 - Goods purchased – Rs. 137,745,794
- (e) Date(s) of approval by the Board, if any: N.A
- (f) Amount paid as advances, if any: Nil

2.2

- (a) Name(s) of the related party and nature of relationship – Svizera Health Remedies LLP (Enterprises where Directors are interested)
- (b) Nature of contracts/arrangements/transactions – Sale / Purchase transactions
- (c) Duration of the contracts/arrangements/transactions – FY 2019-20
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- Goods Sold – Rs. 11,292,821
 - Goods purchased – NIL
- (e) Date(s) of approval by the Board, if any: N.A
- (f) Amount paid as advances, if any: Nil

2.3

- (a) Name(s) of the related party and nature of relationship – Shub Pharma Agency (Enterprises where Directors are interested)
- (b) Nature of contracts/arrangements/transactions – Sale / Purchase transactions
- (c) Duration of the contracts/arrangements/transactions – FY 2019-20
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- Services – Rs. 5,277,272
- (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**

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

Place: Hyderabad
Date: 4thSeptember 2020

Annexure -III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS.

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 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 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 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. The risk management process is continuously improved and adapted to the changing global risk scenario.

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 statutes, accounting policies, approval procedures and to ensure optimum use of available resources. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. These systems are reviewed and improved on a regular basis.

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

Rs. in Lakhs

S.No:	Particulars	2019-20	2018-19
1	Revenues:	2503.13	2625.90
2	Expenditure:	2245.19	2365.63
3	Finance Costs:	3.68	3.68
4	Personnel Costs:	158.18	173.48
5	Profit Before Tax	96.06	83.11
6	Fixed Assets	1339.83	1405.80

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.

By order of the Board of Directors

For Pharmasia Limited

sd/-

Maneesh R. Sapte
Managing Director
DIN: 00020450

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, 2020, 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, 2020.

By order of the Board of Directors

For Pharmasia Limited

sd/-

Maneesh R. Sapte
Managing Director
DIN: 00020450

sd/-

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

Place: Hyderabad

Date: 4thSeptember 2020

INDEPENDENT AUDITORS' REPORT

To The Members of
M/s. Phaarmasia Limited,
Hyderabad

Report on the IND AS Financial Statements

Opinion

1. We have audited the accompanying financial statements of Phaarmasia Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss(including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

2. 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and Other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit and Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

“We have determined that there are no key audit matters to communicate in our report.”

Management’s Responsibility for the Standalone Financial Statements

5. The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 , with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, including other Comprehensive Income, statement of changes in equity , and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
11. We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit

findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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.

14. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as on 31.03.2019 on its financial position in its Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts ; The Company has neither entered any derivative contract during the year under audit and nor have any outstanding derivative contract at the end of the year ;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

15. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Sathuluri & Co.,
Chartered Accountants
Firm Regn No: 006383S**

Sd/-

**(S.S. Prakash)
Proprietor
Membership No.202710**

Place : Hyderabad

Date : 30-06-2020

**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 Engineering 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 2013;
- (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, Goods and Service Tax (GST), 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 Goods and Service Tax (GST) , 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 any 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 them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sathuluri & Co.,
Chartered Accountants
Firm Regn No: 006383S**

Sd/-

**(S.S. Prakash)
Proprietor
Membership No.202710**

**Place : Hyderabad
Date : 30-06-2020**

Annexure - B to INDEPENDENT AUDITOR'S REPORT even date on the 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 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial 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 2020, 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 Sathuluri & Co.,
Chartered Accountants
Firm Regn No: 006383S**

**Sd/-
(S.S. Prakash)
Proprietor
Membership No.202710**

**Place : Hyderabad
Date : 30-06-2020**

Phaarmasia Limited			
BALANCE SHEET AS AT 31st MARCH 2020			
(Rupees)			
Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	133,648,628	137,637,600
Other Intangible Assets	2 (b)	335,000	335,000
Financial Assets;			
- Investments	3	-	-
- Other financial assets	4	2,628,186	2,587,758
Other non-current assets	5	3,500	20,000
Current Assets			
Inventories	6	60,847,358	59,652,977
Financial Assets;			
- Investments	3	-	-
- Trade Receivables	7	123,194,937	117,632,609
- Cash and cash Equivalents	8	364,454	744,043
- Bank balances other than cash and cash equivalents	9	1,168,664	1,135,559
- Others financial assets	4	-	-
Current Tax Assets (Net)		-	-
Other current assets	5	13,808,684	12,812,746
TOTAL ASSETS		335,999,411	332,558,292
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	68,269,600	68,269,600
Other Equity	SOCE	65,815,300	59,895,099
Total Equity		134,084,900	128,164,699
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	10	-	-
Provisions	11	5,667,667	5,921,303
Deferred Tax Liabilities (Net)	12	1,568,746	16,468
Current Liabilities			
Financial Liabilities			
- Borrowings	10	501,473	1,608,505
- Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	13	594,938	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	13	181,984,844	178,944,137
- Other Financial Liabilities	14	960,413	1,030,859
Other Current Liabilities	15	7,828,447	14,291,209
Provisions	11	2,807,983	2,581,113
Current Tax Liabilities (Net)		-	-
Total Liabilities		201,914,510	204,393,592
TOTAL EQUITY AND LIABILITIES		335,999,411	332,558,292
Significant Accounting Policies	1		
The Notes are an integral part of these financial statements			
This is the Balance Sheet referred to in our report of even date			
As per our report of even date		For and on behalf of the Board	
For Sathuluri & Co.		Sd/-	Sd/-
Chartered Accountants		Maneesh R Sapte	Y.N.Bhaskar Rao
Firm Reg No. 006383S		Managing Director	Whole Time Director
Sd/-		DIN : 00020450	DIN:00019052
(S.S.PRAKASH)		Sd/-	Sd/-
Proprietor		Urvasi Bhatia	N.E.V.Prasad Rao
Membership No.202710		Company Secretary	C F O
Place: Hyderabad		Reg. 46877	
Date: 30-06-2020			

Pharmasia Limited				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020				
(Rupees)				
	Particulars	Note	Year Ended 31st March 2020	Year Ended 31st March 2019
I	INCOME			
	Revenue from Operations	16	244,536,412	256,546,105
	Other Income	17	5,777,184	6,044,590
	TOTAL INCOME		250,313,596	262,590,695
II	EXPENSES			
	Cost of materials consumed	18	183,481,374	178,834,966
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of Finished Goods, and Work-in-Progress	19	(5,536,471)	(16,825,340)
	Employee Benefits expense	20	15,818,898	17,348,843
	Finance Costs	21	368,564	368,535
	Depreciation and Amortisation expense	22	3,988,972	4,616,372
	Other Expenses	23	42,585,479	69,936,409
	TOTAL EXPENSES		240,706,816	254,279,786
III	PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		9,606,780	8,310,909
IV	EXCEPTIONAL ITEMS	24	-	-
V	PROFIT BEFORE TAX		9,606,780	8,310,909
VI	TAX EXPENSE			
	Current Tax		2,656,610	2,523,127
	Provision of taxes for earlier years		-	-
	Deferred Tax		1,552,278	(1,987,172)
	TOTAL TAX EXPENSE		4,208,888	535,955
V	PROFIT FOR THE YEAR		5,397,892	7,774,955
VI	OTHER COMPREHENSIVE INCOME			
	Items that will not be reclassified to Profit or Loss			
	Remeasurements of Defined benefit plans		673,682	223,018
	Income Tax relating to items that will not be reclassified to Profit or Loss		(151,373)	(57,985)
	TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		522,309	165,033
VII	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,920,201	7,939,988
	EARNINGS PER EQUITY SHARE	28 (a)		
	Basic		0.79	1.14
	Diluted		0.79	1.14
	Significant Accounting Policies	1		
	The Notes are an integral part of these financial statements			
	This is the Statement of Profit and Loss referred to in our report of even date			
	For and on behalf of the Board			
	For Sathuluri & Co.			
	Chartered Accountants		Sd/-	Sd/-
	Frim Reg No. 006383S		Maneesh R Sapte	Y.N.Bhaskar Rao
			Managing Director	Whole Time Director
	Sd/-		DIN : 00020450	DIN:00019052
	(S.S.PRAKASH)			
	Proprietor		Sd/-	Sd/-
	Membership No.202710		Urvasi Bhatia	N.E.V.Prasad Rao
	Place: Hyderabad		Company Secretary	C F O
	Date: 30-06-2020		Reg. 46877	

Pharmasia Limited		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2020		
(Rupees)		
Particulars	31.03.2020	31.03.2019
Cash Flows from Operating Activities		
Net profit before tax	9,606,780	8,310,910
Adjustments for :		
Depreciation and amortization expense	3,988,972	4,616,372
Other Comprehensive Income (net of tax)	673,682	223,018
Operating profit before working capital changes	14,269,434	13,150,300
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(5,562,328)	(79,683,414)
(Increase)/Decrease in Other financial assets	-	-
(Increase)/Decrease in Inventories	(1,194,381)	(46,764,971)
(Increase)/Decrease in Other Current Assets	(995,938)	9,434,477
(Increase)/Decrease in Other Non Current Assets	16,500	500
Increase/(Decrease) in Trade Payables	3,635,646	104,864,017
Increase/(Decrease) in Other financial liabilities	(70,446)	(744,041)
Increase/(Decrease) in Other Current liabilities	(6,462,762)	1,295,715
Increase/(Decrease) in Provisions	(253,636)	720,694
Changes in Working Capital	(10,887,345)	(10,877,023)
Cash generated from operations	3,382,089	2,273,277
Interest received on Deposits		
Direct Taxes Paid	(2,581,112)	(1,711,043)
Net Cash from operating activities (A)	800,977	562,235
Cash flows from Investing Activities		
Purchase of Fixed Assets (Including CWIP)	0.00	(1,174,504)
Sale of fixed assets	-	373,544
Changes in other financial assets(non current)	(40,428)	(188,632)
Net Cash used in Investing Activities	-40,428	(989,592)
Cash flows from/(used in) Financing Activities		
Proceeds from Long term borrowings	(1,104,491)	379,475
Net Cash used in Financing Activities	(1,104,491)	379,475
Net Increase/(Decrease) in cash and cash equivalents	(343,942)	(47,882)
Cash and Cash equivalents at the beginning of the year	1,879,602	1,927,484
Cash and Cash equivalents at the ending of the year	1,533,118	1,879,602
This is the Cash Flow statement referred to in our report of even date		
As per our report of even date	For and on behalf of the Board	
For Sathuluri & Co.	Sd/-	Sd/-
Chartered Accountants	Maneesh R Sapte	Y.N.Bhaskar Rao
Firm Reg No. 006383S	Managing Director	Whole Time Director
Sd/-	DIN : 00020450	DIN:00019052
(S.S.PRAKASH)	Sd/-	Sd/-
Proprietor	Urvasi Bhatia	N.E.V.Prasad Rao
Membership No.202710	Company Secretary	C F O
Place: Hyderabad	Reg. 46877	
Date: 30-06-2020		

Pharmasia Limited							
STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2020							
(Rupees)							
SHARE CAPITAL	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019			
	Number	Number	Amount	Amount			
Authorised Share Capital							
10000000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000	100,000,000	100,000,000			
Preference Share Capital			0	0			
Issued Equity Share Capital	6,826,960	6,826,960	68,269,600	68,269,600			
Subscribed Equity Share Capital	6,826,960	6,826,960	68,269,600	68,269,600			
Fully Paid-up Equity Share Capital	6,826,960	6,826,960	68,269,600	68,269,600			
Balance at the beginning of the year	6,826,960	6,826,960	68,269,600	68,269,600			
Changes in equity share capital during the year:	-	-	0	0			
Balance at the end of the reporting year	6,826,960	6,826,960	68,269,600	68,269,600			
Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital							
The Company has one class of shares							
(a) equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding.							
Shares in the Company held by each shareholder holding more than five per cent shares			As at 31 March 2020		As at 31 March 2019		
			No.	%	No.	%	
Svizera labs Private Limited			2,000,000	29.30%	2,000,000	29.30%	
Maneesh Pharmaceuticals Limited			3,014,232	44.15%	3,014,232	44.15%	
OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income(OCI)	TOTAL
	Securities Premium	Revaluation Reserve	Capital Reserve	Other Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the comparative reporting Year - 1st April, 2017							
	0	42405571	9687063	0	-3786391	0	48306243
Gain on One Time Settlement		0	0				0
Profit for the Comparative Year ending 31st March 2018					5728374		5728374
Other Comprehensive Income for the Comparative Year ending 31st March 2018						-2079506	-2079506
Total Comprehensive Income for the Comparative Year	0	0	0	0	5728374	-2079506	3648868
Total Comprehensive Income for the year	0	0	0	0	5728374	-2079506	3648868
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							
- Final Dividend				0	0		0
- Dividend Distribution Tax				0	0		0
Transfer to General Reserve				0			0
Transfer from / (to) Debenture Redemption Reserve			0	0			0
Balance at the end of the Comparative reporting year ending 31st March 2018	0	42405571	9687063	0	1941983	-2079506	51955111
Profit for the Reporting Year ending 31st March 2019					7774955		7774955
Other Comprehensive Income for the Reporting Year ending 31st March 2019						165033	165033
Total Comprehensive Income for the Reporting Year	0	0	0	0	7774955	165033	7939988
Transfer on account of Demerger (Refer Note 28 j)				0			0
Balance at the end of the Reporting year ending 31st March 2019	0	42405571	9687063	0	9716938	-1914473	59895099
Profit for the Reporting Year ending 31st March 2020					5397892	522309	5920201
Other Comprehensive Income for the Reporting Year ending 31st March 2020					5397892	522309	5920201
Total Comprehensive Income for the Reporting Year							
Transfer on account of Demerger (Refer Note 28 j)							
Balance at the end of the Reporting year ending 31st March 2020		42405571	9687063		15114830	-1392163	65815300
This is the Statement of Changes in Equity referred to in our report of even date			For and on behalf of the Board				
As per our report of even date							
For Sathuluri & Co.							
Chartered Accountants							
Sd/-			Sd/-		Sd/-		
(S.S.PRAKASH)			Maneesh R Sapte		Y.N.Bhaskar Rao		
Proprietor			Managing Director		Whole Time Director		
Membership No.202710			DIN : 00020450		DIN:00019052		
Date: 30-06-2020			Sd/-		Sd/-		
			Urvasi Bhatia		N.E.V.Prasad Rao		
			Company Secretary		C F O		
			Reg. 46877				

Phaarmasia limited Ltd

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Note 1 : Significant Accounting Policies

A General Information

Phaarmasia limited ('the Company') is a Public Limited Company incorporated in India, having its registered office at Hyderabad, India. The Company is primarily engaged in the manufacturing and sale of Cosmetics, Oral Contraceptive Pills (OCP). The Company is listed in the Bombay Stock Exchange (BSE).

B Basis of preparation of Financial Statements

The financial statements of Phaarmasia limited ("the Company") have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

Except for the changes below, the Company has consistently applied accounting policies to all applicable periods.

i Ind AS 116 Leases:

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 12 'Income Taxes':

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes' with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend

ii Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 'Employee Benefits':

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019 the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

Phaarmasia limited Ltd

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

1. Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- a. Derivative financial instruments are measured at fair value.
- b. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- c. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- d. Long-term borrowings are measured at amortized cost using the effective interest rate method.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months period from the balance sheet date.

3.1 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

a. Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

b. Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

c. Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

d. Fair valuation

Fair value is the market based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgment is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.,

3.2 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest rupees.

3.3 Current and Non-Current classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within twelve months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

3.4 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

3.5 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Directly attributable costs include:

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.
- d. Professional Fees and
- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on to the Companies Act, 2013 (“Schedule II”), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

3.6 Intangible assets

Identifiable intangible assets are recognised at cost and when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. The asset is reviewed at the end of each reporting period is tested for impairment.

3.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. *Financial assets*

Initial recognition and measurement

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) **Financial Assets at Amortised Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate (“EIR”) method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

b) **Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

c) *Impairment of Financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. As Company trade receivables are realised within normal credit period adopted by the company, hence the company trade receivables are not impaired.

d) **De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b. Financial liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) **Financial liabilities at FVPL**

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

b) **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

2) **De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

3.8 Inventories

Inventories consist of raw materials and finished goods and are measured at the lower of cost and net realizable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognized as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.10 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks.

3.11 Employee Benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

c. Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

d. Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

e. Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

3.12 Provisions, contingent liabilities and contingent assets***Provisions***

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

3.13 Revenue Recognition

Sale of goods:

Revenue is recognized when the company substantially satisfies its performance obligation while transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Other Income

Interest Income

Interest Income mainly comprises of interest on Electricity Consumption Deposit

3.14 Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

3.15 Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax

Tax on Dividends declared by the Company are recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020.

3.16 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.17 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment, if any.

3.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.19 Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(i) Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

(ii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

3.20 Recent Accounting Pronouncements.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3.21 Impact of COVID-19 Key accounting judgements, estimates and assumptions.

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The threats posed by the coronavirus outbreak are multifold. In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has been declared epidemic and on March 24, 2020, the Government of India ordered a nationwide lockdown, limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis. Based on its current estimates, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

i. Depreciation and amortisation

Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost/(income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

iii. Inventories

The method of valuation of Inventories has been stated in Note No 3.18 of Significant Accounting Policies. The Company has considered the possible impact relating to COVID-19 while determining the net realisable value of inventory of OCP Tablets. Based on the available internal and external information as determined by the Management, the Company does not expect the carrying values of such inventories to be significantly impacted.

iv. Trade Receivables

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis and the Management has factored in the uncertainties arising out of COVID-19, as applicable. Based on other internal and external sources of information as determined by the Management, the Company expects to fully recover the carrying amount of Trade Receivables.

The fair values of Trade Receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become overdue.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31st MARCH 2020

Note 2 (a) Property, Plant and Equipment																	Note 2 (b) Intangibles	
Particulars	Land	Buildings	Computers	Plant & Machinery	Tanks & Vessels	Pumps & Motors	Packing Equipment	Service Equipment	Weighing Machine	Lab Equipment	Air Conditioners	Electrical Installations	Office Equipment	Furniture & Fittings	Vehicles	Total	Good Will	Total
Gross Block																		
At cost as at 31 March 2018	106,639,720	19,849,971	21,788	3,176,763	5,701,104	276,227	1,953,128	8,620,719	126,994	1,467,138	688,260	536,071	26,223	650,129	1,162,216	150,896,451	335,000	335,000
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At cost as at 31 March 2019	106,639,720	19,849,971	21,788	3,176,763	5,701,104	276,227	1,953,128	8,620,719	126,994	1,467,138	688,260	536,071	26,223	650,129	1,162,216	150,896,451	335,000	335,000
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on account of Demerger (Refer note 28 j)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At cost as at 31 March 2020	106,639,720	19,849,971	21,788	3,176,763	5,701,104	276,227	1,953,128	8,620,719	126,994	1,467,138	688,260	536,071	26,223	650,129	1,162,216	150,896,451	335,000	335,000
Depreciation Block																		
Accumulated depreciation / amortisation as at 31 March 2018	-	5,149,514	20,937	1,668,608	1,286,613	111,957	708,579	2,361,952	46,073	649,065	247,187	318,498	21,373	352,272	316,223	13,258,851	-	-
Depreciation / Amortisation for the year	-	1,400,372	540	273,723	615,738	29,814	173,591	872,980	11,286	148,477	61,521	56,484	2,192	77,327	264,927	3,988,972	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Reversal of Impairment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2019	-	6,549,886	21,477	1,942,331	1,902,351	141,771	882,170	3,234,932	57,359	797,542	308,708	374,982	23,565	429,599	581,150	17,247,823	-	-
Depreciation / Amortisation for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on account of Demerger (Refer note 28 j)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2020	-	6,549,886	21,477	1,942,331	1,902,351	141,771	882,170	3,234,932	57,359	797,542	308,708	374,982	23,565	429,599	581,150	17,247,823	-	-
Net Block																		
As at 31 March 2018	106,639,720	16,248,272	2,321	1,842,575	5,130,034	200,696	1,446,278	7,273,248	94,038	984,713	512,566	293,862	8,850	402,297	373,544	141,453,014	335,000	335,000
As at 31 March 2019	106,639,720	14,700,457	851	1,508,155	4,414,491	164,270	1,244,549	6,258,767	80,921	818,073	441,073	217,573	4,850	297,857	845,993	137,637,600	335,000	335,000
As at 31 March 2020	106,639,720	13,300,085	311	1,234,432	3,798,753	134,456	1,070,958	5,385,787	69,635	669,596	379,552	161,089	2,658	220,530	581,066	133,648,628	335,000	335,000

Pharmasia Limited
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Note 3

Investments

Particulars	Face Value Rs/	No of Units/Shares		(Rupees)	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Non Current Investments	0	0	0	0	0

Note 4

Other Financial Assets

(Rupees)

Particulars	Non-Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Bank deposits with more than 12 months maturity	-	-	-	-
Others;				
Electricity and Other Security Deposits	1,402,983	1,402,983	0	-
Deposits with CMSS	1,225,203	1,184,775	0	-
Advances recoverable in cash	0	0	0	-
Others	0	0	0	-
Total	2,628,186	2,587,758	-	-

Note 5

Other Assets

(Rupees)

Particulars	Non-Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Capital Advances	-	-	-	-
Advances other than capital advances;				
Advances to suppliers	-	-	-	-
Sub Total	-	-	-	-
Others				
Balance with Statutory authorities	-	-	-	-
Advance to Staff	3,500	20,000	0	0
Prepaid Expenses			151,710	199,541
TDS receivables			402,826	1,512,587
Purchase in Transit			0	677,068
Advance to suppliers			756,590	43,976
PLA Receivable			0	2,277,486
GST Input Receivable			12,497,558	8,102,088
Sub Total	3,500	20,000	13,808,684	12,812,746
Total	3,500	20,000	13,808,684	12,812,746

Note 6

Inventories (Valued at Lower of Cost and Net Realisable Value)

(Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw Materials	27,148,136	32,633,377
Packing Material	8,626,153	7,483,002
Work-in-progress	24,967,640	18,165,078
Finished goods	105,429	1,371,520
Total	60,847,358	59,652,977

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Note 7

Trade Receivables

(Rupees)

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
Trade receivables	123,194,937	117,632,609
Unsecured, considered good	-	
Unsecured considered as Doubtful	-	-
Less: Impairment provision on Expected Credit Loss Model	-	-
Total	123,194,937	117,632,609

Note 8

Cash and Cash Equivalents

(Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with Banks (of the nature of cash and cash equivalents)	350,724.97	730,486.08
Cash on hand	13,729.00	13,557.00
Total	364,453.97	744,043.08

Note 9

Bank Balances other than Cash and Cash Equivalents

(Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed Deposits against Bank Guarantee	1,168,664.00	1,095,131.00
Others:		
Interest accrued but not due	-	40,428.00
Total	1,168,664.00	1,135,559.00

Phaarmasia Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Note 10

Borrowings

(Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
<u>NON CURRENT</u>		
<u>Secured</u>		
Term loans;		
- Rupee Loan from Banks	-	-
Sub - Total	-	-
<u>CURRENT</u>		
<u>Secured</u>		
Loans repayable on demand		
- from banks	-	-
- from Others	-	-
<u>Unsecured</u>		
Loans repayable on demand		
- from Others	-	-
HDFC Bank car loan	501,473	686,142
Machinery Loan - Reliance Commercial	-	922,363
Total	501,473	1,608,505

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Note 11

Provisions

(Rupees)

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (Refer Note 28(f))				
Gratuity	5,667,667.00	5,921,303.00	-	-
Leave Encashment	-	-	-	-
Provision for tax			2,807,983	2,581,112
Total	5,667,667.00	5,921,303.00	2,807,983	2,581,111.61

Note 12

Deferred Tax Liabilities - (Net)

(Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred Tax Liabilities (Net); Opening	16,467.63	2,003,641.00
Add on account of Difference in net Block of Assets	1,552,917.49	(1,984,291.76)
Add: on account of differment of Processing Charges	(639.57)	(2,881.61)
- on fair valuation of Derivatives		
- Other adjustments		
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	-	-
Total	1,568,745.54	16,467.63

Note 13

Trade Payables

(Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Outstanding due of Micro and Small Enterprises (Refer Note 28(d))	594,938	-
Outstanding due of Creditors other than Micro and Small Enterprises	181,984,844	178,944,137
Total	182,579,782	178,944,137

Note 14

Other Financial Liabilities

(Rupees)

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term debt	-	-
Interest accrued	-	-
Unclaimed dividends		
Unclaimed matured deposits and interest accrued thereon		
Interim Dividend Payable		
Others :		
Car Loan	187,320	172,233
Machinery Loan	156,698	95,085
Other payables	616,395	763,541
Others		
Total	960,413	1,030,859

Note 15

Other Liabilities

(Rupees)

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
Salaries and employee benefits	2,654,301	2,600,219
Statutory Liabilities		
Others		
Retention Money		
Statutory Dues	3,055,657	3,112,055
Liabilities for expenses	397,345	120,945
Liabilities for employee benefits		
Others	1,721,144	8,457,990
Total	7,828,447	14,291,209

Phaarmasia Limited

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Note 16

Revenue From Operations

(Rupees)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Revenue From Operations		
OCP Sales (Govt. & Others)	189304934	191,416,925
Sales GST	35222620	37,358,502
P TO P GST	9969533	13,484,904
Exports OCP	3357600	-
Sales Traded	0	356,411
Conversion Charges	6681724	13,929,363
Total	244,536,412	256,546,105

Note 17

Other Income

(Rupees)

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
Interest Earned	162405	124,418
Commission	5175420	4,478,125
Arrears refund from Central Excise	0	420,926
Profit on Sale of Car	0	347,837
Duty Draw Back	43649	
Miscellaneous Income	395710	673,284
Total	5777184	6044590

Note 18

Cost of Materials consumed

(Rupees)

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
Raw Material		
Purchases	124245394	156268507
Add: Opening Stock	32633377	4783037
	156878771	161051544
Less Closing Stock	27148136	32633377
	129730635	128418167
Packing Material		
Purchases	54893890	52506090
Add: Opening Stock	7483002	5393711
	62376892	57899801
Less Closing Stock	8626153	7483002
Purchases during the year	53750739	50416799
Total	183481374	178834966

Phaarmasia Limited

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Note 19

Changes In Inventories Of Finished Goods And Work-In-Progress

(Rupees)

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
Closing Stock:		
Finished Goods	105429	1371520
Work-in-Progress	24967640	18165078
	<u>25073069</u>	<u>19536598</u>
Less: Opening Stock:		
Finished Goods	1371520	567840
Work-in-Progress	18165078	2143418
	<u>19536598</u>	<u>2711258</u>
Total	-5536471	-16825340

Note 20

Employee Benefits Expense

(Rupees)

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
Salaries and Wages	10586952	11621895
Director Remuneration	1800000	1800000
Contribution to provident, gratuity and other funds	2990555	3324016
Staff welfare expenses	441391	602932
Total	15818898	17348843

Note 21

Finance Costs

(Rupees)

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
Interest Expense	368564	368535
Other Financial Charges	0	0
	<u>368564</u>	<u>368535</u>

Note 22

Depreciation and Amortisation expense

(Rupees)

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
Depreciation on Property, Plant And Equipment	3988972	4616372
Amortisation on Intangible Assets	0	0
	<u>3988972</u>	<u>4616372</u>

Pharmasia Limited

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Note 23

Other Expenses

(Rupees)

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
Laboratory chemicals & Analysis	408,871	490,776
Freight Outward & Cartage	822,089	753,650
Power & Fuel	7,811,817	8,372,480
Water Charges	1,183,239	1,464,725
Labour charges	13,042,908	13,187,859
Job Work Charges	-	100,800
Consumable Stores	1,237,143	1,762,711
Car Upkeep	299,041	532,936
Factory Maintenance	931,454	816,509
Laboratory Maintenance	775,578	1,751,121
Repairs & Maintenance - Electrical	526,938	617,235
Repairs & Maintenance- Buildings	37,987	321,292
Repairs & Maintenance- Machinery	1,244,079	1,145,646
Repairs & Maintenance- Airconditioners	383,250	176,788
Repairs & Maintenance (Others)	445	7,064
Repairs and Maintenance Computers	101,293	43,414
Insurance	216,248	246,485
Licence Fees, Rates & Taxes	483,870	675,740
Property Tax	1,058,608	1,058,608
Travelling Expenses	674,904	842,691
Consultancy Charges	508,591	8,004,189
Conveyance Expenses	1,141,665	1,237,109
Postage & Telephones	215,345	220,498
Rent	18,000	18,000
Subscriptions	96,688	30,594
Advertisement	57,248	57,440
Office Expenses	45,261	23,533
Audit Fees	100,000	100,000
Internal Audit Fee	9,000	9,000
Sitting Fee	92,000	112,000
Technical Audit Fees	-	91,365
Printing and stationery	282,690	427,829
Security Charges	3,304,051	3,224,039
AGM Expenses	681,951	791,854
Commission on Export	140,000	-
Transport Charges (commission)	28,891	65,010
Commission Expenses	4,624,336	4,335,758
GST paid	-	14,585,329
Serrvice tax paid	-	2,234,332
Total	42,585,479	69,936,409

Note 24

Exceptional Items

(Rupees)

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
On account of One time settlement with Banks		
Reversal of Interest	-	-
One Time Settlement of Principal loan amount settled through a Subsidiary	-	-
Gain on Sale of Subsidiary	-	-
Total	-	-

Note 25

A. Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

Particulars	2020	2019
Total Debt	201,914,510	204,393,592
Total Equity	134,084,900	128,164,699
Debt Equity Ratio	1.51	1.59

B. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

a Market Risk

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Pharmaceutical Industry, product of the company is essential and Government encourages this type of industry for usage by Public wherever required. There is no market risk identified in this line of industry except getting orders from Government and Customers.

b Interest Rate Risks

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates.

c Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

d Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2020, the Company had working capital (current assets less current liabilities) of Rs. 47,05,999 including cash and cash equivalents of Rs. 15,33,118 and as on 31 March 2019 the Company had working capital of Rs. (64,77,888) including cash and cash equivalents of Rs. 18,79,602

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020:

Exposure to liquidity risk:

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	Note 10	-			
Trade Payable	Note 13	182,579,782			
<u>Other Financial Liabilities</u>	Note 14				-
Security Deposits		-			
Employee Benefits		-			
Liabilities for Expense		-			
Others		960,413			
		-			

Pharmasia Limited
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Note 26

Fair Values and Hierarchy

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below .

(Rupees)

31 March 2020	Note No.	FVTPL	FVTOCI	Carrying amount		Fair value			Total
				Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Investments	3	0	0	0	0	0	0	0	0
Others	4	2628186	0	0	2628186	0	0	2628186	2628186
Trade receivables	7	123194937	0	0	123194937	0	0	123194937	123194937
Cash and cash equivalents	8	364454	0	0	364454	0	0	364454	364454
Bank balances other than (iii) above	9	1168664	0	0	1168664	0	0	1168664	1168664
Others	4	0	0	0	0	0	0	0	0
		127356241	0	0	127356241	0	0	127356241	127356241
Financial liabilities									
Other financial Liabilities - Non Current				0	0			0	0
Borrowings	10	0	0	6169140	6169140	0	0	6169140	6169140
Trade payables	13	182579782	0	0	182579782	0	0	182579782	182579782
Other financial Liabilities	14	960413	0	0	960413	0	0	960413	960413
		183540195	0	6169140	189709335	0	0	189709335	189709335
31 March 2019	Note No.	FVTPL	FVTOCI	Carrying amount		Fair value			Total
				Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Investments	3	0	0	0	0	0	0	0	0
Others	4	2587758	0	0	2587758	0	0	2587758	2587758
Trade receivables	7	117632609	0	0	117632609	0	0	117632609	117632609
Cash and cash equivalents	8	744043	0	0	744043	0	0	744043	744043
Bank balances other than (iii) above	9	1135559	0	0	1135559	0	0	1135559	1135559
Others	4	0	0	0	0	0	0	0	0
		122099969	0	0	122099969	0	0	122099969	122099969
Financial liabilities									
Borrowings	10	0	0	7529808	7529808	0	0	7529808	7529808
Trade payables	13	178944137	0	0	178944137	0	0	178944137	178944137
Other financial Liabilities	14	1030859	0	0	1030859	0	0	1030859	1030859
		179974995	0	7529808	187504804	0	0	187504804	187504804

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.

2. Non current financial assets / liabilities measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

Pharmasia Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Note 27**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate (Rupees)**

Particulars	Year Ended31 March 2020	Year Ended31 March 2019
Accounting Profit before Income Tax	9606780	8310909
At India's statutory income tax rate of (31 March 2020: 25.17%)	2418026	2160836
Effect of Expenses deductible for Tax purposes	-784574	-1034061
Effect of non-deductible expenses	1174530	1454337
Effect of Gratuity recognised in OCI	-151373	0
Total	2656610	2581112

Pharmasia Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

NOTE 28

ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings Per Share

Particulars		For the year ended 31- March-2020	For the year ended 31-March 2019
Profit after taxation	Rs. Lacs	5,397,892	7,774,955
Weighter Average Number of equity shares (Face Value Rs. /-)	Nos.	6,826,960	6,826,960
Earnings per share - Basic	Rs.	0.79	1.14
Earnings per share - Diluted	Rs.	0.79	1.14

c) Disclosures under Ind AS 108 - "Operating Segment" - (Refer Note below)

The Company concluded that there is only one operating segment i.e, Pharmaceuticals (Cosmetics and Oral Contraceptive Pills). Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

(ii) Geographic information

The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

	2019-20	(Rupees) 2018-19
Revenue from External Customers:		
India	241178812	256546105
Outside India	3357600	0
	<u>244536412</u>	<u>256546105</u>
Non-current assets (other than financial instruments)		
India	136615314	140580358
Outside India	0	0
	<u>136615314</u>	<u>140580358</u>

(iii) There are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Note:-

The Company is engaged interalia in the manufacture of Pharmaceuticals. These in the context of Ind AS 108 " Operating Segment" is considered to constitute one single primary segment.

d) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under and have been relied upon by the auditors:

	As at 31 March 2020	As at 31 March 2019
--	------------------------	------------------------

- | | | |
|---|--------|---|
| (i) Principal amounts remaining unpaid to suppliers as at the end of the accounting year | 594938 | - |
| (ii) Interest accrued and due to suppliers on above amount, unpaid | | |
| (iii) The amount of interest paid by the buyer in terms of Section16 of the MSMED Act,2006,along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year | | |
| (iv) The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006 | | |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | | |
| (vi) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act,2006 | | |

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 at the close of the year. However on the basis of the disclosures received from the parties during the earlier years, the parties have been identified for interest payable as disclosed above.

NOTE 28

ADDITIONAL/EXPLANATORY INFORMATION

e) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

(a) Names of related parties and nature of relationship where control exists are as under:

(b) Names of other related parties and nature of relationship:

Key Management Personnel:

Maneesh Pharmaceuticals Limited.	Holding Company
Svizera Health Remedies LLP	Enterprises where Directors are interested
Shubh Pharma Agency	Enterprises where Directors are interested
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. Ajit Jamklhandikar	Independent Director
Mr. Pravin M Hegde	Independent Director
Mrs. Uravasi Bhatia	Company Secretary
Mr. N E V Prasad Rao	Chief Financial Officer

Relatives of Key Management Personnel:

Enterprise owned or significantly influenced by any key management personnel or their relatives

(c) Transactions with related parties (excluding reimbursements)

Nature of Transactions**(Rupees)**

	Transactions		Outstanding Payable/(Receivable)	
	Year Ended		As at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19

i) Subsidiary Companies

ii) Associates

Sales and Purchases**Maneesh Pharmaceuticals Ltd.,**

Purchase / Services	137,745,794	145,688,215
Sales	62,709,265	57,195,271

Svizera Health Remedies LLP

Purchases	-	43,020
Sales	11,292,821	15,280,067

Shub Pharma Agency

Services	5,277,272	4,882,401
----------	-----------	-----------

Balances with the Related Parties**1 Receivables**

Maneesh Pharmaceuticals Ltd	66,880,575	11,161,310
Svizera Health Care	8,960,515	7,549,466

2 Payables

Maneesh Pharmaceuticals Ltd	143,522,096	118,095,012
Shub Pharma Agency	524,905	907,236

ii) Key Management Personnel:

Remuneration*

Mr. Y.N.Bhaskar Rao	2,401,070	2,401,070
---------------------	-----------	-----------

Setting fee

Mr. Vinay R. Sapte	28,000	24,000
Mrs. Rashmi V. Sapte	8,000	20,000
Mr. Pravin M. Hegde	28,000	48,000
Mr. Ajit Jamkhandikar	28,000	20,000

Relatives of Key Managerial Personnel

Mr. N. E. V. Prasad Rao C F O	1,155,000	1,026,135
Abhishek Wakchaure	126,000	168,000
Urvasi Bhatia	66,000	-

iii) Relatives of Key Management Personnel:

iv) Enterprise owned or significantly influenced by any management personnel or their relatives

Sale of Goods & Services

* Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

d) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Phaarmasia Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

NOTE 28

f) Disclosures as per IND AS - 19 - Employee Benefits

During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

	Year Ended 31 March 2020	Year Ended 31 March 2019
i) Current service cost	155,358	173,771
Interest cost on net defined benefit liability/(asset)	446,043	442,262
Gratuity cost recognized in statement of profit and loss	601,411	616,034

iii) Defined benefit obligation :

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Present value of funded obligations	5,667,667	5,921,303
Fair value of plan assets	0	0
Net defined benefit liability/(asset)	5,667,667	5,921,303

The valuation results for the defined benefit gratuity plan (unfunded) as at 31-3-2020 are produced in the tables below:

i) Changes in the Present Value of Obligation

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Present Value of Obligation as at the beginning	5,921,303	5,528,288
Current Service Cost	155,358	173,771
Interest Expense or Cost	446,043	442,262
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	-673,682	-223,018
- demographic assumptions		
- experience variance (i.e. Actual experience vs assumptions)	0	
Benefits Paid	-181,354	0
Present Value of Obligation as at the end	5,667,668	5,921,303

ii) Expenses Recognised in the Income Statement

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Current Service Cost	155,358	173,771
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	446,043	442,262
Gratuity cost recognized in statement of profit and loss	601,411	616,034
Expenses Recognised in the Income Statement	1,648,855	1,232,067

iii) Other Comprehensive Income

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Actuarial (gains) / losses		
- change in financial assumptions	-673,682	-223,018
- experience variance (i.e. Actual experience vs assumptions)	0	0
Components of defined benefit costs recognised in other comprehensive income	-673,682	-223,018

iv) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31-Mar-20	31-Mar-19
Discount rate (per annum)	6.66%	7.65%
Salary growth rate (per annum)	6% to 10%	6% to 10%

b. Demographic Assumptions

Particulars	As on	
	31-Mar-20	31-Mar-19
Mortality Rate (% of IALM 2012-14)	100%	100%
Withdrawal rates, based on age: (per annum)	5.00%	5.00%
Normal retirement age	60.00	60.00

v) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As on 31 March 2020	As on 31 March 2019
Defined Benefit Obligation (Base)	5,667,668	5,921,303

Phaarmasia Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

NOTE 28

g) Commitment	NIL	NIL
h) Contingent Liabilities not provided for:	NIL	NIL

i) Corporate Social Responsibility

As per Section 135 of the Companies Act,2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility(CSR) Activities.

- a) Gross amount required to be spent by the company during the year is Rs NIL (Previous Year Rs NIL).
 b) Amount spent during the year:

(Rupees in Lacs)

Particulars	In cash	yet to be paid	Total
1 Construction/acquisition of any asset		-	
2 On purposes other than (1) Above			

Figures in brackets are in respect of Previous year

j. Reclassification note

Certain prior year amounts have been reclassified for consistency with the current year presentation.

As per our report of even date

For Sathuluri & Co.

Chartered Accountants

Sd/-

(S.S.PRAKASH)

Proprietor

Membership No.202710

Dt. 30-06-2020

Sd/-

Maneesh R Sapte

Director

DIN : 00020450

Sd/-

Urvasi Bhatia

Company Secretary

Reg. 46877

Sd/-

Y.N.Bhaskar Rao

Whole Time Director

DIN:00019052

Sd/-

N.E.V.Prasad Rao

C F O

28k Additional Information				
Class of Goods Manufactured		2019-20		2018-19
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
Pastes, Creams & Ointments in M.T		4500 P.A		4500 P.A
3. Actual Production				
a) For conversion				
Liquids (KL)		0.000		105.014
Pastes & Creams(MT)		178.060		363.969
b) Own Production :				
Tablets(Millions)		642.867		649.160
Liquids (KL)		1.990		5.926
Pastes & Creams(MT)		22.860		29.995
c) Opening Stock of Finished Goods :				
Liquids (KL)		0.000		0.000
Tablets(Millions)		2.143		11.310
Liquisa (KL)		0.000		0.000
Pastes & Creams(MT)		0.000		0.000
d) Closing Stock of Finished Goods :				
Liquids (KL)				0.000
Tablets(Millions)		29.610		2.143
Liquids (KL)		0.000		0.000
Pastes & Creams(MT)		0.000		0.000
Particulars	2019-20		2018-19	
	QTY	Value (Rs. In '000)	QTY	Value (Rs. In '000)
4. Sales Turnover & Processing charges :				
Tablets(Millions)	615.400	227885.16	658.327	228775.43
Pastes & Creams(MT)	22.860	9622.07	29.995	12447.94
Liquids (KL)	1.990	347.46	5.926	1036.96
Interest Earned		162.41		124.42
Traded Goods / Commission		5175.42		4834.54
Procession & Conversion (Incl. Excise Duty paid)		6681.72		13929.36
Duty Draw Back		43.65		0
Arears refund and others		395.71		1442.05
Total		250313.60		262590.70

5. Consumption of Raw Materials & Packing Materials	2019-20		2018-19	
	QTY	Value	QTY	Value
		(Rs. In '000)		(Rs. In '000)
Stock Item				
Levonogestrel	58.303	20801.82	53.430	18805.20
Ethenylestradiol	11.852	2789.24	15.080	3160.56
Ferrous Fumarate	8150.000	2202.19	15591.580	3341.72
Estradiol Valerate	11.350	2553.75	522.640	1620.11
Iso Propyl Alcohol	22880.000	3263.91	34522.910	4829.77
S.S.G	9669.831	712.53	3091.820	220.03
Lactose	30186.000	4239.29	41890.670	6229.57
Magnesium Sterate	1255.000	200.50	1175.000	150.19
Maize Starch	7350.000	366.98	8999.810	441.99
Talcum Powder	188.000	6.63	1694.280	68.12
Medroxyprogesterone Acetate Micronised	600.000	34402.20	572.510	26258.95
Meprate 10mg Dummy Granules	7797.920	1746.73	8679.190	1735.70
Ormeloxifene Hydrochloride	768.490	36272.73	1256.700	59316.24
Desogestrel Bp/ep	3899.896	14333.51	0.000	0.00
Tiblone	2.980	4809.80	0.000	0.00
Acacia Farnesiana (Irimed)	32.018	262.23	45.420	372.14
Polysorbate	740.060	103.72	2020.060	293.03
Honey BP	1910.790	305.73	2700.060	432.01
Coolmints Flavour	216.570	159.18	412.560	303.28
Carbopol 934	203.400	148.42	222.810	119.89
Essence Chemical & Others		49.56		719.68
Sub Total		129730.64		128418.18
Consumption of Packing Matetial				
(like Laminated Tubes PVC Foils,		53750.74		50416.80
Alu.Foils,Cartoons & Catch Cards)				
Total Consumption		183481.38		178834.98

As per our report of even date

For and on behalf of the Board

For Sathuluri & Co.

Chartered Accountants
Firm Reg no. 006383S

Sd/-

(S.S.PRAKASH)

Proprietor

Membership No.202710

Place: Hyderabad

Date: 30-6-2020

Sd/-

Maneesh R. Sapte
Managing Director
DIN:00020450

Sd/-

Urvasi Bhatia
Company Secretary
Reg. 46877

Sd/-

Y.N.Bhaskar Rao
Whole Time Director
DIN:00019052

Sd/-

N.E.V.Prasad Rao
C F O



PHAARMASIA LIMITED

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