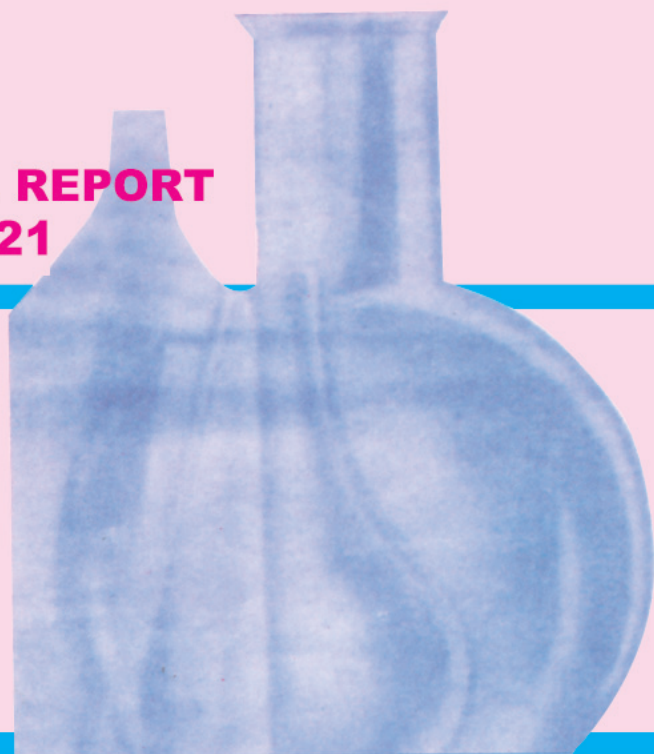




**PHAARMASIA**

**40th  
ANNUAL REPORT  
2020-2021**



**PHAARMASIA LIMITED**

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

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# PHAARMASIA LIMITED

## **Board of Directors:**

1. Mr. Maneesh Ramakant Sapte : Managing Director
2. Mr. Yallapragada Naga Bhaskar Rao - Whole-time Director
3. Mr. Vinay Ramakant Sapte - Director, Non-Executive
4. Mrs. Rashmi Vinay Sapte - Director, Non-Executive
5. Mr. Pravin M. Hegde - Independent Director
6. Mr. Ajit Gopal Jamkhandikar - Independent Director

## **Key Managerial Personnel (KMP)**

1. Mr. Eswara Vara Prasad Rao Nagineni - Chief Financial Officer
2. Ms. Urvashi Bhatia - Company Secretary

**Corporate Identification Number:**L24239TG1981PLC002915

## **Registered Office:**

16, Phase-III, IDA, Jeedimetla,  
Hyderabad, Telengana, India – 500055.

## **Statutory Auditors:**

M/s Sathuluri & Co., Chartered Accountants,  
H. No. 3-4-529/6, Gopamma Nilayam,  
Chitrapuri Colony, Narayanguda,  
Hyderabad – 500 027

## **Secretarial Auditors:**

Shri Nagamalla Sricharan  
H.No.3-6-285, Flat No.102, Ameer Mahal  
Street No.4, Near HDFC Bank, Hyderguda  
Hyderabad – 500 029

## **Internal Auditors:**

M/s. Oruganti & Associates  
Chartered Accountants  
H.No.3-5-943 To 948, Flat No.207 & 208, 2nd  
Floor, Panchavati Mall, Narayanguda,  
Hyderabad-500029, Telangana.

## **Registrar and Share Transfer Agent:**

M/s. Venture Capital and Corporate Investments Private Limited  
H. No. 12-10-167, Bharat Nagar, Hyderabad – 500 018  
Tel No. 040-23818476 / 23818475; Fax No. 040-23868024

Email: [info@vccilindia.com](mailto:info@vccilindia.com)

Website: [www.vccilindia.com](http://www.vccilindia.com)

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 40<sup>th</sup> Annual General Meeting of the members of Phaarmasia Limited will be held on Thursday, the 23rd day of September, 2021 at 2:30 P.M through video conferencing (VC) / other audio-visual means (OAVM) 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 31<sup>st</sup>March, 2021, along with Notes, the Reports of the Board of Directors and the Auditors thereon.**
- 2. To appoint a director in place of Mr. Vinay R. Sapte (DIN: 00135085) who retires by rotation at this Annual General Meeting, and being eligible, offers herself for reappointment.**

By order of the Board  
*for Phaarmasia Limited*

Sd/-  
**Y.N. Bhaskar Rao**  
**Whole-time Director**  
**DIN: 00019052**

Date: 6th August, 2021  
Place: Hyderabad

Registered Office:  
16, Phase-III, IDA, Jeedimetla,  
Hyderabad, Telangana, India – 500055

## NOTES:

1. In view of the massive outbreak of the COVID-19 Pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05,2020 issued by the Ministry of Corporate Affairs followed by the Circular No.02/2021 dated January 13, 2021, Physical attendance of the members to the AGM venue is not required and hence the 40th Annual General Meeting (AGM) of the Company will be held through video conferencing (VC) or other audio visual means (OAVM).
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode shall be open 15 minutes before the time schedule i.e., 2:30 P.M on 23rd September, 2021 by clicking on the link at <https://www.evotingindia.com/> under members login, where EVSN of the Company will be displayed by using the Remote E-voting Credentials and by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 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 Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction of first come first served basis.
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 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 the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, January 13, 2021 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 agency. The facility of casting votes by a member using remote e- voting system as well as venue voting on the date of the AGM will be provided by CDSL.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Noti
8. ce 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](http://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](http://www.evotingindia.com).
9. Shareholders who have queries may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [phaarmasia@gmail.com](mailto:phaarmasia@gmail.com) latest by 5.00 PM on Saturday, 18th September, 2021.
10. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
11. Members intending to seek clarification at the Annual General Meeting concerning the accounts and any aspect of operations of the company are requested to send their questions in writing to the Company so as to reach the company at least 10 (Ten) days in advance before the date of the Annual General Meeting, specifying the points.
12. Members holding shares in dematerialized form (electronic form) are requested to intimate any changes in their respective addresses, bank mandates etc., directly to their respective Depository Participants.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent, Venture Capital & Corporate Investments Pvt. Ltd
14. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting form an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
16. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of such amount as mentioned in the Companies Act, 2013.
17. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.

Members who hold shares in physical form are requested to send their e-mail address to the RTA by an email to [info@vccilindia.com](mailto:info@vccilindia.com).

18. The Annual Report for the year ended 31st March, 2021 and Notice of the AGM inter alia indicating the manner and process of remote e-voting are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to [phaarmasia@gmail.com](mailto:phaarmasia@gmail.com) and [info@vccilindia.com](mailto:info@vccilindia.com). Please submit duly filled and signed member updation form to the above mentioned email. Upon verification of the Form the email will be registered with the Company till the date of AGM
19. Members may also note that the Notice of the 40th AGM and the Annual Report for the financial year ending on 31st March, 2021 will also be available on the Company's website <http://phaarmasia.in> for download.
20. Considering the social distancing norm to be followed due to wide spreading COVID-19 Pandemic. All Documents referred to in the accompanying notice will be sent to the respective shareholder upon receiving a request at the e-mail id [phaarmasia@gmail.com](mailto:phaarmasia@gmail.com) of the Company for inspection of the members of the Company.
21. SEBI has made it mandatory for every participant in the Securities/Capital Market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN and Bank Account along with a copy of the PAN card and original cancelled cheque leaf /attested bank passbook showing name of account holder to M/s CIL Securities Limited.
22. SEBI made it mandatory for all the shareholders to hold the shares in Dematerialization form. Hence, all the shareholders holding shares in physical form are requested to convert their Physical shares in Demat form, so the liquidity of shares is not affected.
23. **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

(In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (remote e-voting) to all its members. The company has engaged the services of Central Depository Services Limited (CDSL) to provide remote e-voting facilities and enabling the members to cast their vote in a secured manner. This facility will be available at the link <http://www.evotingindia.com> during the following voting period:

Commencement of remote e-voting	:	From 09.00 A.M on <b>20.09.2021</b>
End of remote e-voting	:	Up to 05.00 P.M on <b>22.09.2021</b>

Remote e-voting shall not be allowed beyond 05.00 P.M on **22.09.2021**. During the Remote e-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for remote e-voting is **14.09.2021**.

- a) The company has engaged the services of CDSL as the Authorized Agency to provide remote e-voting facilities.
- b) The company has appointed Mr. N.V.S.S. Suryanarayana, Practicing Company Secretary (M. No: 5868), as ‘scrutinizer’ for conducting and scrutinizing the remote e-voting process in a fair and transparent manner.
- c) “Voting by electronic means” or “electronic voting system” means a ‘secured system’ based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate ‘cyber security’.

It also helps the shareholders to cast their vote from anywhere and at any time during Remote e-voting period.

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility

- i. **Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ul style="list-style-type: none"> <li>• Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>• After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting</li> </ul>



	option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

ii. **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders:**

- The shareholders should log on to the remote E-Voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- Click on the “Shareholders” tab.
- Now select the “Pharماسia Limited” from the drop-down menu and click on “SUBMIT”.
- 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,

**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.**

- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg.: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> <p>The respective sequence number will be printed on the address sticker of the annual report cover sent to the shareholders.</p>

<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member ID / folio number in the Dividend Bank Details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for Remote E-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for Remote E-Voting on the resolutions contained in this notice.
- xii. Click on EVSN of Phaarmaisa Limited
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details
- xv. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. If Demat account holder has forgotten the same 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 available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**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:**

- a. 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 **Company/RTA email id**.
- b. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

- i. 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.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- iii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iv. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- v. 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.
- vi. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 4 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 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [phaarmasia@gmail.com](mailto:phaarmasia@gmail.com). These queries will be replied to by the company suitably by email.
- vii. 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:-**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. 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.
- iii. 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.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

### **NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iii. 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.
- iv. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v. 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.
- vi. 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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

24. The Scrutinizer shall immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and the e0-voting at the time of AGM within a period not exceeding two (2) working days from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.
25. The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website and communicated to BSE Limited where the shares of the Company are listed for placing the same on their website.

**By order of the Board  
for Pharmasia Limited**

**Sd/-  
Y.N. Bhaskar Rao  
Whole-time Director  
DIN: 00019052**

Date: 6th August, 2021  
Registered Office:  
16, Phase-III, IDA, Jeedimetla,  
Hyderabad, Telangana, India – 500055

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

<b>Particulars</b>	<b>Mr. Vinay Ramakant Sapte</b>
Director Identification Number	00135085
Date of Birth	01/06/1955
Nationality	Indian
Date of Appointment	30/04/2009
Qualifications	Bachelor of Engineering (Electrical)
Shareholding in the Company	Nil
Expertise in specific functional areas	More than 35 years of Experience in pharmaceutical sector
Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 25 Companies)	As per Note 1 below
Chairmanships/ Memberships of Committees of other Public Companies (includes only Audit Committee; Stakeholders Relationship Committee and Nomination and Remuneration Committee)	As per Note 2 below

**Note 1:**

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Designation</b>
1.	Heritage Laboratories Private Limited	Director
2.	Svizera Health Remedies Private Limited	Director
3.	Bombay Biosyntex Chemicals Private Limited	Director
4.	Pharmanova Specialties Private Limited	Director
5.	Pharmanova Specialties Private Limited	Director
6.	Svizera Pharma Private Limited	Director
7.	Ergos Life Sciences Private Limited	Director
8.	Mantech Counting And Systems Private Limited	Director

**Note 2:**

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Designation</b>
1.	Maneesh Pharmaceuticals Limited	Managing Director

**FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS /  
NOTICES BY ELECTRONIC MODE**

To

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

Company: Pharmasia Limited

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

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

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

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

E-Mail Address : \_\_\_\_\_

Date:

Place:

(Signature of the member)



## DIRECTORS' REPORT

Dear Members,

Your directors present their 40<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2021.

### 1. Financial summary or highlights/Performance of the Company

The performance of the Company during the year ended 31<sup>st</sup> March 2021 has been as under:

(Amounts in Rupees)

Particulars	2020-21	2019-20
Gross Income	2078.88	2503.13
Operating profit before Financial Charges & Depreciation	83.16	139.64
Financial Charges	1.17	3.68
Profit Before Interest and Depreciation	82.99	135.96
Provision for Depreciation	34.12	39.89
Net Profit Before Tax	47.87	96.07
Provision for Tax	18.47	26.57
Deferred Tax for the Current Year	(1.80)	15.52
Net Profit After Tax	31.20	53.98
Other comprehensive income	6.77	5.22
Dividend (including tax on Dividend)	0	0
Balance of profit brought forward	24.42	59.20

### 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. 2,078 Lakhs as compared to Rs. 2503.14 Lakhs in the previous year. Profit after tax for the year decreased to Rs. 31.20 Lakhs as compared to Rs. 53.98 Lakhs in the previous year.

### 3. Change in the nature of business, if any

There is no change in the nature of business during the year

### 4. Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report except the impact of the COVID-19 pandemic.

### 5. Future Outlook

The company has witnessed a decrease in the overall revenue due to the impact of the pandemic and resultant lockdown. However, you Board expects a healthy overall growth during the coming financial years.

### 6. Dividend

Since the Company is incurring losses, the board of directors has not recommended any dividend for the current financial year.

## 7. Transfer to reserve

The Company does not propose to transfer any amount to the general reserve for the financial year ended 31<sup>st</sup> March 2021.

## 8. Share Capital

During the year the Company has not allotted any shares.

The authorised capital of the company stands unchanged from previous year at Rs. 10,00,00,000/- (Rupees Ten Crores only).

The Issued, Subscribed and Paid-up Capital of the Company as on March 31, 2021 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 .

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## 9. Directors and Key Managerial Personnel as on 31<sup>st</sup> March, 2021 and details of change in Directors and Key Managerial Personnel

Your directors believe that the Board must consciously create a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests.

The company has maintained an optimum combination of Executive and Non-Executive Directors. The composition of the Board, Category, DIN of Directors are as follows:

### Board of Directors:

S.No.	Name of the Director	Designation	DIN
1.	Mr. Maneesh Ramakant Sapte	Managing Director	00020450
2.	Mr. Yallapragada Naga Bhaskar Rao	Whole-time Director	00019052
3.	Mr. Vinay Ramakant Sapte	Director	00135085
4.	Mrs. Rashmi Vinay Sapte	Director	00334247
5.	Mr. Pravin M. Hegde	Independent Director	01404954
6.	Mr. Ajit Gopal Jamkhandikar	Independent Director	08196191

### Key Managerial Personnel (KMP)

1.	Mr. Eswara Vara Prasad Rao Nagineni	- Chief Financial Officer
2.	Ms. Urvashi Bhatia	- Company Secretary

Further, approval of the shareholders is being sought for re-appointment of Mr. Vinay Ramakant Sapte (holding DIN: 00135085), Director who retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

## 10. Directors' Responsibility Statement

Pursuant to the requirement of Section 134, in the Companies Act, 2013, the Board of Directors of the company make the following statements, to the best of their knowledge and belief and according to the information and explanations obtained by them:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are 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/loss of the company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **11. Selection of Independent Directors**

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee inter alia considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

## **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.

## **13. Particulars of Employees**

Details in respect of remuneration paid to employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure - I** and forms part of this Report.

## **14. Meetings of Board of Directors**

The board of directors duly met 4 (Four) times on 30.06.2020, 15.09.2020, 13.11.2020 and 12.02.2021 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.

## **15. Policy on Director's appointment and remuneration**

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

## **16. Formal Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as

well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

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.

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 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 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.

## 17. Audit Committee

The Audit Committee of the Company is duly constituted as per Section 177 of the Companies Act, 2013. The members of Audit Committee are:

<b>Directors</b>	<b>Chairman/Member</b>	<b>Category</b>
Mr. Pravin Mohandas Hegde	Chairman	Independent Director
Mr. AjitJamkhandikar	Member	Independent Director
Mr. Y.N Bhaskar Rao	Member	Whole-time Director

### Audit Committee Meetings

<b>SINo.</b>	<b>Date of meeting</b>	<b>Total No of Members as on the date of meeting</b>	<b>Number of Members attended</b>
1.	30.06.2020	03	03
2.	15.09.2020	03	03
3.	13.11.2020	03	03
4.	12.02.2021	03	03

## 18. Nomination and Remuneration Committee

The Company had constituted the Nomination and Remuneration Committee under section 178 of the Companies Act, 2013.

The Company, vide a Circular Resolution dated 28.08.2020 reconstituted the Nomination and Remuneration Committee as follows:

<b>Directors</b>	<b>Chairman/Member</b>	<b>Category</b>
Mr. Pravin M. Hegde	Chairman	Independent Director
Mr. Ajit Jamkhandikar	Member	Independent Director
Mr. Vinay Ramakant Sapte	Member	Non-Independent & Non-Executive Director

### **Nomination and Remuneration Committee Meetings**

<b>SINo.</b>	<b>Date of meeting</b>	<b>Total No of Members as on the date of meeting</b>	<b>Number of Members attended</b>
1.	30.06.2020	03	03
2.	15.09.2020	03	03

The Nomination and Remuneration policy of the Company is provided below:

a) **Selection and Evaluation of Directors:**

The Board has on the basis of the recommendations of the Nomination and Remuneration Committee, laid down following policies.

1. Policy for Determining qualifications, Positive Attributes and Independence of a Director.
2. Policy for Board & Independent Directors Evaluation

b) **Performance evaluation of Board, Committees and Directors**

The Company believes in a formal evaluation of the Board and of the individual Directors, on an annual basis, is a potentially effective way to respond to the demand for greater Board accountability and effectiveness. For the Company, evaluation provides an ongoing means for Directors to assess their individual and collective performance and effectiveness. In addition to greater Board accountability, evaluation of Board members helps in:

- a) More effective Board processes
- b) Better collaboration and communication
- c) Greater clarity with regard to members roles and responsibilities

The evaluation process covers the following aspects:

- Self-evaluation of Directors
- Evaluation of the performance and effectiveness of the Board
- Evaluation of the performance and effectiveness of the committees
- Feedback from the non-executive Directors to the Chairman
- Feedback on management support to the Board.

### **19. Risk management policy**

The Risk Management Policy 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. The Board of Directors decide the policies and ensure their implementation to ensure protection of Company from any type of risks.

## **20. Statutory Auditors**

M/s Sathuluri & Co., Chartered Accountants, were appointed as Statutory Auditors for 5 years at the 36<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2017 and shall hold office from the conclusion of the 36<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting.

### **Replies to Auditors' Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

## **21. 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 a part of this report.

## **22. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under, Mr. Nagamalla Sricharan, Practicing Company Secretary (Membership No. A57156 and COP No.: 22919) 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 III** to this report.

## **23. Cost Auditors**

The provisions of Section 148 of the Companies Act, 2013 do not apply to the Company. Hence, the company has not appointed Cost Auditors for Financial Year 2020-21.

## **24. 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 Directors' Report.

## **25. Prevention of Insider Trading**

The company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the directors and designated employees of the company. The code requires pre-clearance for dealing in the company's shares and prohibits the purchase or sale of company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The 'Manager' is responsible for implementation of the code along with the management of the Company.

Members of the Board have confirmed compliance with the code.

## **26. Internal Financial Controls and Internal Audit**

The Company has a proper and adequate system of internal control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, regarded and reported correctly. The internal control is supplemented by an extensive program of internal audits, review by management and procedures. It is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

During the year, the Company has implemented the suggestions and recommendations of the internal auditor to improve the control environment. Their scope of work included 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. In the Board meeting held on 25.06.2021, company has re-appointed M/s. Oruganti & Associates, Chartered Accountant, as Internal Auditor of the Company for the F.Y. 2021-22.

## 27. Insurance

The Properties and assets of your Company are adequately insured.

## 28. Whistle Blower Policy/Vigil Mechanism

Pursuant to the provisions of section 177 of the Companies Act, 2013 and the rules framed there under and pursuant to the applicable provisions of the SEBI (LODR) Regulations, 2015, the company has established a mechanism through which all stake holders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle blower policy which has been approved by the board of directors of the company has been hosted on the website of the company viz. <http://phaarmasia.in/>

## 29. Annual Return

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at <http://phaarmasia.in/>

## 30. Secretarial standards

The Company complies with all applicable secretarial standards.

## 31. Particulars of loans, guarantees or investments under section 186

The company has not given loans, guarantees or made investments covered under the provisions of Section 186 of the Companies Act, 2013 during the reporting period.

## 32. Significant and Material Orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations

## 33. Subsidiary & associates/joint ventures

Company has the following associate companies:

S. No.	Name of the company	CIN/FCRN	Holding/ Associate/ Subsidiary	% of shares held
1.	Maneesh Pharmaceuticals Limited	U24230MH1985PLC036952	Associate	44.15
2.	Svizera Labs Private Limited	U74999MH1997PTC107389	Associate	29.3

## 34. Management Discussion and Analysis Report

Management Discussion and Analysis Report, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this report and same is attached as **Annexure IV**.

### **35. Corporate Governance Report and Management Discussion & Analysis**

As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), 2015, provisions relating to corporate governance are not applicable to your company and therefore there is no separate report on corporate governance.

However, in pursuance of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from Mr. N.V.S.S. Suryanarayana, Practicing Company Secretary, in compliance with (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure-V** and forms part of this Report.

### **36. Disclosure 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. The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21:

- No. of complaints received: - NIL
- No. of complaints disposed off: - NIL

### **37. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of energy: Due to the stoppage of production no energy conservation was considered during the year.

(b) Technology absorption: N.A

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows:

Foreign Exchange Inflows: Nil

Foreign Exchange Outflows: Nil

### **38. Corporate Social Responsibility (CSR)**

The provisions of Section 135 of the Companies Act, 2013, relating to Corporate Social Responsibility are not applicable to the Company for the time being.

### **39. Deposits**

The Company has neither accepted nor renewed any deposits during the year under review. As such no amount of principal or interest was outstanding on the date of the Balance Sheet.

### **40. 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).



#### **41. Listing with stock exchanges**

The shares of the company are listed on The Bombay Stock Exchange. All dues to the exchange have been paid in full.

#### **42. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account**

Your Company does not have any shares in the Demat suspense account or unclaimed suspense account and therefore no disclosure as per Point F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is required.

#### **43. Industry Relations**

The company enjoyed cordial relations with its employees during the year under review and the Board appreciates the employees across the cadres for their dedicated service to the Company, and looks forward to their continued support and higher level of productivity for achieving the targets set for the future.

#### **44. Human Resources**

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

#### **45. General**

Your directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees’ Stock Options Schemes referred to in this Report.
- There has been no change in the nature of business of the Company
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.

#### **46. Acknowledgements**

Your Directors wish to place on record their appreciation of the contribution made by the stakeholders, of the Company for their continued support.

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

**Sd/-**  
**Maneesh Ramakant Sapte**  
**Managing Director**  
**DIN: 00020450**

**Sd/-**  
**Y.N. Bhaskar Rao**  
**Whole-time Director**  
**DIN: 00019052**

Date: 6th August, 2021

## Annexure – I

### Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

#### Part- A

Information under Section 197 (12) of the Companies Act, 2013 read with the rule 5(1) Companies (Appointment and remuneration of managerial personnel) Rules, 2014 and forming part of Directors Report for the year ended March 31, 2021

**(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

S. No	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Maneesh Ramakant Sapte	Nil
2.	Mr. Yallapragada Naga Bhaskar Rao	9.06:1
3.	Mr. Vinay Ramakant Sapte	NA
4.	Mrs. Rashmi Vinay Sapte	NA
5.	Mr. Pravin M. Hegde	NA
6.	Mr. Ajit Gopal Jamkhandikar	NA

**(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:**

S.No.	Name of the KMP	Percentage increase in remuneration
1.	Mr. Maneesh Ramakant Sapte	-
2.	Mr. Y.N. Bhaskar Rao	10%
3.	Mr. Eswara Vara Prasad Rao Nagineni	-

(iii) The percentage increase in the median remuneration of employees in the financial year is Nil

(iv) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2021: 13 employees.

(v) 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 networth of the Company as at the close of the current financial year and previous financial year.

Sl No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Market Capitalization	16,96,49,956	9,48,94,744
2.	Price Earnings Ratio	54.02:1	17.60:1

**(v) 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 whether 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 financial year is Nil and there has been no increase in the managerial remuneration of Company Secretary during the financial year.

(vi)The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

Part-B

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Not Applicable

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

**Sd/-**  
**Maneesh Ramakant Sapte**  
**Managing Director**  
**DIN: 00020450**

**Sd/-**  
**Y.N. Bhaskar Rao**  
**Whole-time Director**  
**DIN: 00019052**

Date: 6th August, 2021

## 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 2020-21
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - Goods Sold – Rs. 62,986,331/-
  - Goods purchased – Rs. 72,406,446/-
- 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 2020-21
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - Goods Sold – Rs. 4,854,043/-
  - 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 2020-21
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - Services – Rs. 3,891,274
- e) Date(s) of approval by the Board, if any: N.A
- f) Amount paid as advances, if any: Nil

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

Sd/-  
**Maneesh Ramakant Sapte**  
**Managing Director**  
**DIN: 00020450**

Sd/-  
**Y.N. Bhaskar Rao**  
**Whole-time Director**  
**DIN: 00019052**

Date: 6th August, 2021

Annexure- III

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED March 31, 2021**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To  
The Members,  
**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 (and due to lockdown on account of novel covid-19 pandemic and restriction imposed by the Central and State Governments such verification is carried out through the electronic means only), I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, 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, 2021 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- 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*

- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(6) Other laws applicable to the Company

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

- i. Secretarial Standards 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 subject to the following observations:

- *The Company has filed a few forms with delay without any additional fees under the CFSS Scheme initiated by the Ministry of Corporate Affairs in view of the COVID-19 Pandemic.*
- *Company has made a delay in filing Non-applicability of Corporate Governance report for the quarter ended 31st March, 2020 under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.*

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Sd/-

**Nagamalla Sricharan**

**Practicing Company Secretary**

**Membership Number: A57156**

**Certificate of Practice Number: 22919**

**UDIN: A051756C000749783**

**Hyderabad, 6th August, 2021**

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



## ANNEXURE A'

To,  
**Phaarmasia Limited**  
16, Phase-III, IDA, Jeedimetla,  
Hyderabad – 500055, Telangana

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

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

**Sd/-**  
**NagamallaSricharan**  
**Practicing Company Secretary**  
**Membership Number: A57156**  
**Certificate of Practice Number: 22919**  
**UDIN: A051756C000749783**

**Hyderabad, 6th August, 2021**

## **CERTIFICATE OF THE MD /CFO**

To  
The Board of Directors,  
Phaarmasia Limited

I, Mr. Eswara Vara Prasad Rao Nagineni, Chief Financial Officer of Phaarmasia Limited, to the best of my knowledge and belief, certify that:

1. We have reviewed the Balance Sheet as at March 31, 2021, Statement of Profit and Loss, the Statement of changes in equity and Statement of Cash flows for the year ended and a summary of the significant accounting policies and other explanatory information of the company and the Board's report for the year ended March 31, 2021.
2. These statements do not contain any material untrue statement or omit any material fact nor do they contain statements that might be misleading.
3. The financial statement, and other financial information included in this report, present in all material respects a true and fair view of the company's affairs, the financial condition, results of operations and cash flows of the Company as at and for the periods presented in this report, and are in compliance with the existing accounting standards, applicable laws and regulations.
4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violative of the company's code of conduct and Ethics.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
6. We have indicated to the Auditors and the Audit Committee that:
  - i. there are no significant changes in internal control over financial reporting during the year;
  - ii. there are no significant changes in accounting policies during the year; and
  - iii. there are no instances of significant fraud of which we have become aware.

**By order of the Board  
for PHAARMASIA LIMITED**

**Sd/-  
Eswara Vara Prasad Rao Nagineni  
Chief Financial Officer**

Place: Hyderabad  
Date: 06.08.2021

## Annexure - III

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### 1. **FORWARD-LOOKING STATEMENTS**

Your Directors have drawn up a detailed plan to create a gated community of independent villas on the land owned by the company. Necessary applications have been made to the local authorities for approval. Once the required sanctions are obtained, the real estate operations of the Company will commence.

#### 2. **OPPORTUNITIES & THREATS:**

The ongoing pandemic has influenced change in consumers preferences with respect to residential properties. Larger residential spaces away from congested areas with work from home arrangements are preferred. This change will make the company's proposed residential project more attractive. However, it is too early to predict lasting consumer preferences.

#### 3. **OUTLOOK:**

Your company has been following the philosophy of providing the highest quality products and services at the lowest possible prices. Your Company's philosophy to provide high class quality products i.e. full value for money, to consumers would greatly benefit in the long run. Your company will continue to follow this philosophy in the new operations that it is likely to undertake.

#### 4. **RISKS AND CONCERNS:**

The company is not carrying on any industrial or business activity at present. It has no secured loans. The company does not foresee any area of risk or concern. However, the outcome of the proposed real estate activities depends on receipt of layout and building permissions from the local authorities and the post Covid economic environment.

#### 5. **INTERNAL CONTROL SYSTEMS:**

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized recorded and reported correctly. An Audit Committee headed by a non-executive independent Director is in place to review various areas of the control systems.

#### 6. **DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements etc. appearing separately. Highlights for the year 2020 - 21 are as under:

Particulars	Amount (Rs.)
Gross income for the year 2020 - 2021	20,78,88,091
Provision for taxation	18,47,467
Profit after tax/ (Loss)	47,87,110
Paid up equity share capital as on 31st March, 2021	6,82,69,600

The financial performance of the Company has been explained in the Directors' Report appearing separately.

7. **HUMAN RESOURCES:**

At present the company has no employees.

8. **CAUTIONARY STATEMENT:**

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc, may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Company's operations may inter-alia affect with the supply and demand situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

9. **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Presently, the Company is not carrying any business operations due to which there is no industrial structure and developments, however whenever company increases its operations the detailed structure and developments will be highlighted for the shareholders.

## **Annexure - IV**

### **CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

I have examined the following documents:

- i. Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii. Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

As submitted by the Directors of Pharmasia Limited ('the Company') bearing CIN: L24239TG1981PLC002915 and having its registered office at '16, Phase-III, IDA, Jeedimetla, Hyderabad -500055, Telangana, India, to the Board of Directors of the Company ('the Board') for the Financial Year 2021-22. We have considered non-disqualification to include non debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and to the extent possible, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

<b>Sr. No</b>	<b>Name of Director</b>	<b>Director Identification Number (DIN)</b>
1.	Mr. Naga Bhaskar Rao Yallapragada	00019052
2.	Mr. Maneesh Ramakant Sapte	00020450
3.	Mr. Vinay Ramakant Sapte	00135085
4.	Ms. Rashmi Vinay Sapte	00334247
5.	Mr. Pravin Mohandas Hegde	01404954
6.	Mr. Ajit Gopal Jamkhandikar	08196191

This Certificate has been issued at the request of the Company to make disclosure in its Directors' Report for the Financial Year ended 31st March, 2021.

**Sd/-**

**N.V.S.S. SURYANARAYANA RAO**

**Practicing Company Secretary**

**Membership Number: 5868**

**Certificate of Practice Number: 2886**

**UDIN: A005868C000787541**

**Hyderabad, 06<sup>th</sup> August, 2021**

## INDEPENDENT AUDITORS' REPORT

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

### Report on the IND AS Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Pharmasia Limited (“the Company”), which comprise the balance sheet as at 31st March 2021, 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 ) Rules2015,as amended, ( “Ind AS”) and Other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the profit and Total Comprehensive Income, changes in equityand 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 thereunder, 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 auditopinion 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, make 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 :25-06-2021**

## **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 :25-06-2021**

**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 2021 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 2019, 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**

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

**Place : Hyderabad  
Date :25-06-2021**

<b>Pharmasia Limited</b>				
<b>BALANCE SHEET AS AT 31st MARCH 2021</b>				
<b>( Rupees )</b>				
<b>Particulars</b>	<b>Note</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2 (a)	130,236,148	133,648,628	
Other Intangible Assets	2 (b)	335,000	335,000	
Financial Assets;				
- Investments	3	-	-	
Other non-current assets	4	2,628,186	2,628,186	
<b>Current Assets</b>				
Inventories	5	26,348,856	60,847,358	
Financial Assets;				
- Investments	3	-	-	
- Trade Receivables	6	42,655,778	123,194,937	
- Cash and cash Equivalents	7	2,574,286	364,454	
- Bank balances other than cash and cash equivalents	8	1,251,022	1,168,664	
Current Tax Assets (Net)		-	-	
Other current assets	4	13,105,757	13,812,184	
<b>TOTAL ASSETS</b>		<b>219,135,033</b>	<b>335,999,411</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	SOCE	68,269,600	68,269,600	
Other Equity	SOCE	68,257,565	65,815,301	
<b>Total Equity</b>		<b>136,527,165</b>	<b>134,084,901</b>	
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
- Borrowings	9	294,361	501,473	
Provisions	10	2,246,392	5,667,667	
Deferred Tax Liabilities (Net)	11	1,389,039	1,568,746	
<b>Current Liabilities</b>				
Financial Liabilities				
- Borrowings	9	208,118	344,018	
- <b>Trade Payables</b>				
(A) total outstanding dues of micro enterprises and small enterprises; and	12	258,040	594,938	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	12	66,282,572	181,984,844	
- Other Financial Liabilities	13	656,690	616,395	
Other Current Liabilities	14	5,333,076	7,828,447	
Provisions	10	5,939,580	2,807,983	
Current Tax Liabilities (Net)		-	-	
<b>Total Liabilities</b>		<b>82,607,867</b>	<b>201,914,511</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>219,135,033</b>	<b>335,999,411</b>	
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		
<b>For Sathuluri &amp; Co.</b>		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)				
Proprietor		Sd/-	Sd/-	
Membership No.202710		Urvasi Bhatia	N.E.V.Prasad Rao	
Place: Hyderabad		Company Secretary	C F O	
Date: 25-06-2021		Reg. 46877		



## Pharmasia Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

( Rupees )

		Year Ended 31st March 2021	Year Ended 31st March 2020
<b>I INCOME</b>			
Revenue from Operations	15	198,952,651	244,536,412
Other Income	16	8,935,440	5,777,184
<b>TOTAL INCOME</b>		<b>207,888,091</b>	<b>250,313,596</b>
<b>II EXPENSES</b>			
Cost of materials consumed	17	124,894,252	183,481,374
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	18	20,889,020	(5,536,471)
Employee Benefits expense	19	14,951,622	15,818,898
Finance Costs	20	116,822	368,564
Depreciation and Amortisation expense	21	3,412,482	3,988,972
Other Expenses	22	38,836,783	42,585,479
<b>TOTAL EXPENSES</b>		<b>203,100,981</b>	<b>240,706,816</b>
<b>III PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<b>4,787,110</b>	<b>9,606,780</b>
<b>IV EXCEPTIONAL ITEMS</b>	23	-	-
<b>V PROFIT BEFORE TAX</b>		<b>4,787,110</b>	<b>9,606,780</b>
<b>VI TAX EXPENSE</b>			
Current Tax		1847467	2,656,610
Deferred Tax		-180220	1,552,278
<b>TOTAL TAX EXPENSE</b>		<b>1,667,247</b>	<b>4,208,888</b>
<b>V PROFIT FOR THE YEAR</b>		<b>3,119,863</b>	<b>5,397,892</b>
<b>VI OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		-905517	673,682
Income Tax relating to items that will not be reclassified to Profit or Loss		227919	-151373
Items that may be reclassified to Profit or Loss			
Designated Cash Flow Hedges			
Income tax relating to items that may be reclassified to Profit or Loss			
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>-677598</b>	<b>522,309</b>
<b>VII TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,442,265</b>	<b>5,920,201</b>
<b>EARNINGS PER EQUITY SHARE</b>	28 (a)		
Basic		0.46	0.79
Diluted		0.46	0.79

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  
Frim Reg No. 006383S

Sd/-  
(S.S.PRAKASH)  
Proprietor  
Membership No.202710

Place: Hyderabad  
Date: 25-06-2021

Sd/-  
Maneesh R Sapte  
Managing Director  
DIN : 00020450

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

Sd/-  
Urvashi Bhatia  
Company Secretary  
Reg. 46877

Sd/-  
N.E.V.Prasad Rao  
C F O

<b>Pharmasia Limited</b>		
<b>Cash Flow statement for the year ended 31 March 2021</b>		
<b>( Rupees )</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
<b>Cash Flows from Operating Activities</b>		
Net profit before tax	4,787,110	9,606,780
<b>Adjustments for :</b>		
Depreciation and amortization expense	3,412,482	3,988,972
Other Comprehensive Income	-905,517	673,682
<b>Operating profit before working capital changes</b>	<b>7,294,075</b>	<b>14,269,434</b>
<b>Movements in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	80,539,158	-5,562,328
(Increase)/Decrease in Other financial assets	-	-
(Increase)/Decrease in Inventories	34,498,144	-1,194,381
(Increase)/Decrease in Other Current Assets	706,243	-995,938
(Increase)/Decrease in Other Non Current Assets	-	16,500
Increase/(Decrease) in Trade Payables	-116,041,171	3,635,646
Increase/(Decrease) in Other financial liabilities	-95,192	-70,446
Increase/(Decrease) in Other Current liabilities	-2,493,956	-6,465,304
Increase/(Decrease) in Provisions	510,027	-253,636
Changes in Working Capital	<b>-2,376,747</b>	<b>-10,889,887</b>
<b>Cash generated from operations</b>	<b>4,917,328</b>	<b>3,379,547</b>
Interest received on Deposits		-
Direct Taxes Paid	-2,418,027	-2,581,112
<b>Net Cash from operating activities (A)</b>	<b>2,499,302</b>	<b>798,435</b>
<b>Cash flows from Investing Activities</b>		
Purchase of Fixed Assets (Including CWIP)	-0	-
Sale of fixed assets	-	-
Changes in other financial assets( non current)	-	-40,428
<b>Net Cash used in Investing Activities</b>	<b>-0</b>	<b>-40,428</b>
<b>Cash flows from/(used in) Financing Activities</b>		
(Repayment) of /Proceeds from Long or short term borrowings	-207,112	-1,104,491
<b>Net Cash used in Financing Activities</b>	<b>-207,112</b>	<b>-1,104,491</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>2,292,190</b>	<b>-346,484</b>
Cash and Cash equivalents at the beginning of the year	1,533,118	1,879,602
<b>Cash and Cash equivalents at the end of the year</b>	<b>3,825,308</b>	<b>1,533,118</b>
Note to Cash Flow Statement:		
1. The above Cash Flow Statement has been prepared under the Indirect Method.		
2. Reconciliation of Financing Liabilities		
<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
<b>Opening Balance</b>	1,533,118	1,879,602
Cash inflow/ (outflow) of non-current borrowings	-	-
Cash inflow / (outflow) of current borrowings	-207,112	-1,104,491
<b>Closing Balance</b>	<b>1,326,006</b>	<b>775,111</b>
<b>1) Cash and Cash equivalents includes:</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
Cash on hand	5,034	13,729
Cash Equivalents		
- Current accounts	2,569,252	350,725
Deposits against BGs	1,251,022	1,168,664
	<b>3,825,308</b>	<b>1,533,118</b>
<b>For Sathuluri &amp; Co.</b> Chartered Accountants Frim Reg No. 006383S  Sd/- (S.S.PRAKASH) Proprietor Membership No.202710  Place: Hyderabad Date: 25-06-2021	<b>For and on behalf of the Board</b>  Sd/- Maneesh R Sapte Managing Director DIN : 00020450  Sd/- Urvashi 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

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

### 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 principal accounting policies applied in the preparation of these financial statements are set out in Para C below. These policies have been consistently applied to all the years presented

##### i Statement of Compliance

These Separate financial statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

##### ii Basis of preparation and presentation

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013 except the following items that have been measured at fair value as required by relevant Ind AS. Nevertheless, historical cost is generally based at the fair value of the consideration given in exchange for goods and services.

- a) Certain financial assets/liabilities measured at fair value.
- b) Any other item as specifically stated in accounting policy.

The Financial Statement are presented in Indian Rupee ('INR') and all values are rounded to the nearest Rupee, unless otherwise stated.

Whenever the company changes the presentation or classification of items in its financial statements materially, the company reclassifies comparative amounts, unless impracticable. No such material reclassification has been made during the year.

#### Use of Estimate and judgment

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

# Pharmasia Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

### Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain intangible assets based on technical advice which considered the nature of the asset, the usage of the asset and anticipated technological changes.

### Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the company is required to estimate the cash flows to be generated from using the asset. The fair value of an assets is estimated using a valuation technique where observable prices are not available. Further, the discount rate used for value in use calculations includes an estimate of risk assessment specific to the asset.

### Impairment of Financial Assets:

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

### Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## C Summary of Significant Accounting Policies

### **Property, Plant and Equipment**

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except freehold land which is not depreciated. Cost includes purchase price (after deducting trade discount / rebate), non-refundable duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimates of the cost of dismantling/removing the item and restoring the site on which it is located.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any gain or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

### **Depreciation and Amortization**

## **Phaarmasia Limited**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021**

Depreciation of PPE commences when the assets are ready for their intended use. Depreciation on PPE is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the Written Down Value method. PPE which are added / disposed off during the year, depreciation is provided on pro-rata basis from / up to the date on which the asset is available for use / disposal. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Component of an item of PPE with the cost that is significant in relation to total cost of that item is depreciated separately if it's useful life differs from other components of the assets.

Depreciation on PPE is provided over the useful life of assets as specified in the Schedule II of the Companies Act 2013 to the extent of 95 percent except the following:-

Spares parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related Plant and Machinery.

#### **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

#### **Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

## **Pharmasia Limited**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

#### **Foreign Currency Transactions**

The financial statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

#### **Inventories**

Raw materials are valued at lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials is determined on a first in first out (FIFO) method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials plus Direct cost to the extent identified

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit and Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

## **Pharmasia Limited**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

#### **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. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

##### **a) Financial Assets**

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries and joint ventures, investment other than equity shares, loans to employee / related parties / others, security deposit, claims recoverable etc.

# Pharmasia Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

### Initial recognition and measurement

All financial assets except trade receivable are recognized initially at fair value. The financial assets not recorded at fair value through profit or loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

### Subsequent measurement

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

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

### Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial 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. These financial assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized 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 amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss .

### Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and L



# Pharmasia Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

### Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the 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 financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

### Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

## **Pharmasia Limited**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021**

#### **b) Financial Liabilities**

The Company's financial liabilities include loans and borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

#### **Initial recognition and measurement**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

#### **Subsequent measurement**

The subsequent measurement of financial liabilities depends upon the classification as described below:-

#### **Financial Liabilities classified as Amortised Cost**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. 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. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

#### **Financial Liabilities classified as Fair value through profit and loss (FVTPL)**

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

# Pharmasia Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / 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 the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

### **Revenue Recognition and Other Income**

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers

Sale of scrap is accounted for as and when the sale is completed and its collection is reasonably certain.

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

# Pharmasia Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

### **Borrowing costs**

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

### **Employee Benefits**

#### **Short-term Employees Benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

#### **Long-term Employees Benefits**

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

#### **Post-employment benefits**

The Company provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- ii) Defined Contribution plans such as provident fund.

#### **Defined benefits plans**

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation.

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 except those included in cost of assets as permitted.

# Pharmasia Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

### Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund and Employee Insurance Scheme for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

### Earnings per Share:

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

### Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### Current tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current year is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

# Pharmasia Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

### Statement of Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

### Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**Phaarmasia Limited**

**STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2021**

(Rupees)

SHARE CAPITAL	As at	As at	As at	As at 31 March	As at	As at
	31 March 2021	31 March 2021	31 March 2020	2020	31 March 2019	31 March 2019
	Number	Amount	Number	Amount	Number	Amount
Authorised Share Capital						
10000000 Equity Shares of Rs. 10/- each	10,000,000	100,000,000	10,000,000	100,000,000	10,000,000	100,000,000
Preference Share Capital						
Issued Equity Share Capital	6,826,960	68,269,600	6,826,960	68,269,600	6,826,960	68,269,600
Subscribed Equity Share Capital	6,826,960	68,269,600	6,826,960	68,269,600	6,826,960	68,269,600
Fully Paid-up Equity Share Capital	6,826,960	68,269,600	6,826,960	68,269,600	6,826,960	68,269,600
<b>Balance at the beginning of the year</b>	6,826,960	68,269,600	6,826,960	68,269,600	6,826,960	68,269,600
Changes in equity share capital during the year:	-	-	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>6,826,960</b>	<b>68,269,600</b>	<b>6,826,960</b>	<b>68,269,600</b>	<b>6,826,960</b>	<b>68,269,600</b>

**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 2021		As at 31 March 2020	
	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	

<b>Balance at the beginning of the comparative reporting Year - 1st April, 2017</b>	-	42,405,571.00	9,687,063.00	-	(3,786,391.00)	-	48,306,243.00
Gain on One Time Settlement		-	-				-
Profit for the Comparative Year ending 31st March 2018					5,728,374.00		5,728,374.00
Other Comprehensive Income for the Comparative Year ending 31st March 2018						(2,079,506.00)	(2,079,506.00)
<b>Total Comprehensive Income for the Comparative Year</b>	-	-	-	-	5,728,374.00	(2,079,506.00)	3,648,868.00

<b>Total Comprehensive Income for the year</b>	-	-	-	-	5,728,374.00	-2,079,506.00	3,648,868.00
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**Transactions with owners in their capacity as owners:**

Dividends and Dividend Distribution Tax:							
- Final Dividend (Rs.0.50 per share)							
- Dividend Distribution Tax							
Transfer to General Reserve							
Transfer from / (to) Debenture Redemption Reserve							

<b>Balance at the end of the Comparative reporting year ending 31st March 2018</b>	-	42,405,571	9,687,063	-	1,941,983	(2,079,506)	51,955,111
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Profit for the Reporting Year ending 31st March 2019					7,774,955		7,774,955
Other Comprehensive Income for the Reporting Year ending 31st March 2019						165,033	165,033
<b>Total Comprehensive Income for the Reporting Year</b>	-	-	-	-	7,774,955	165,033	7,939,988

Transfer on account of Demerger (Refer Note 28 j)							
<b>Balance at the end of the Reporting year ending 31st March 2019</b>	-	42,405,571	9,687,063	-	9,716,938	(1,914,473)	59,895,099

Profit for the Reporting Year ending 31st March 2020					5397892	522309	5920201
Other Comprehensive Income for the Reporting Year ending 31st March 2020							
<b>Total Comprehensive Income for the Reporting Year</b>					5397892	522309	5920201

Transfer on account of Demerger (Refer Note 28 j)							
<b>Balance at the end of the Reporting year ending 31st March 2020</b>		42405571	9687063		15114830	-1392163	65815301

Profit for the Reporting Year ending 31st March 2021					3119863	-677598	2442265
Other Comprehensive Income for the Reporting Year ending 31st March 2020							
<b>Total Comprehensive Income for the Reporting Year</b>					3119863	-677598	2442265

Transfer on account of Demerger (Refer Note 28 j)							
<b>Balance at the end of the Reporting year ending 31st March 2021</b>		42,405,571	9,687,063		18,234,693	-2,069,762	68,257,565

This is the Statement of Changes in Equity referred to in our report of even date

As per our report of even date

For Sathuluri & Co.  
Chartered Accountants

Sd/-  
(S.S.PRAKASH)  
Proprietor  
Membership No.202710

**For and on behalf of the Board**

Sd/-  
Maneesh R Sapte  
Managing Director  
DIN : 00020450

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

Sd/-  
Urvashi Bhatia  
Company Secretary  
Reg. 46877

Sd/-  
N.E.V.Prasad Rao  
C F O

**Phaarmasia Limited**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st MARCH 2021

Note 2 (a) Property, Plant and Equipment													Note 2 (b) Intangibles						
Particulars	Pre Hold Land	Buildings	Computers	Plant & Machinery	Tanks & Vessels	Pumps & Motors	Packing Equipment	Service Equipment	Weighting Machine	Lab Equipment	Air Conditioners	Electrical Installations	Office Equipment	Furniture & Fittings	Vehicles	Total	Good Will	Total	
<b>Gross Block</b>																			
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on account of Demerger (Refer note 28j)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At cost as at 31 March 2021	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	
<b>Depreciation Block</b>																			
Accumulated depreciation / amortisation as at 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / adjustments (Reversal of Impairment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-
Depreciation / Amortisation for the year	-	1,266,970	197	224,044	529,854	24,403	149,378	751,215	9,713	121,529	52,940	41,820	1,201	57,252	181,964	2,946,061	-	-	-
Transfer on account of Demerger (Refer note 28j)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At cost as at 31 March 2021	-	7,816,856	21,674	2,166,375	2,432,205	166,174	1,031,548	3,986,147	67,072	919,071	361,648	416,802	24,766	486,851	763,114	20,660,303	-	-	-
<b>Net Block</b>																			
As at 31 March 2019	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 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	
As at 31 March 2021	106,639,720	12,033,115	114	1,010,388	3,268,899	110,053	921,580	4,634,572	59,922	548,067	326,612	119,269	1,457	163,278	399,102	130,236,148	335,000	335,000	



**Pharmasia Limited**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021**

**Note 3**

**Investments**

**(Rupees )**

Particulars	Face Value Rs/	No of Units/Shares	
		As at 31 March 2021	As at 31 March 2020
<b>Non Current Investments</b>		-	-

**Note 4**

**Other Assets**

**(Rupees )**

Particulars	Non-Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital Advances	-	-	-	-
<b>Sub Total</b>	-	-	-	-
Bank deposits with more than 12 months maturity		-		-
Others;				
Electricity and Other Security Deposits	1,402,983	1,402,983		-
Deposits with CMSS	1,225,203	1,225,203		-
<b>Total</b>	<b>2,628,186</b>	<b>2,628,186</b>	-	-
Others				
Advance to Staff	-	-	11,262.00	3,500.00
Prepaid Expenses			152,766.05	151,710.00
TDS receivables			386,802.06	402,826.00
TCS Receivables			65,772.53	
Advance to suppliers			568,674.54	756,590.00
GST Input Receivable			11,920,479.98	12,497,558.00
<b>Sub Total</b>	-	-	<b>13,105,757.16</b>	<b>13,812,184.00</b>
<b>Total</b>	<b>2,628,186.00</b>	<b>2,628,186.00</b>	<b>13,105,757.16</b>	<b>13,812,184.00</b>

**Note 5**

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

**(Rupees )**

Particulars	As at 31 March 2021	As at 31 March 2020
Raw Materials	10,804,103	27,148,136
Packing Material	11,360,704	8,626,153
Work-in-progress	3,771,830	24,967,640
Finished goods	<b>412,219</b>	105,429
<b>Total</b>	<b>26,348,856</b>	<b>60,847,358</b>

**Phaarmasia Limited**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021**

**Note 6**

**Trade Receivables**

**(Rupees)**

Particulars	Current	
	As at 31 March 2021	As at 31 March 2020
Trade Receivables		
Unsecured, considered good	42,655,778	123,194,937
Unsecured considered as Doubtful		-
Less: Impairment provision on Expected Credit Loss Model	-	-
<b>Total</b>	<b>42,655,778</b>	<b>123,194,937</b>

**Note 7**

**Cash and Cash Equivalents**

**(Rupees)**

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks (of the nature of cash and cash equivalents)	2569252	350725
Cash on hand	5034	13729
<b>Total</b>	<b>2574286</b>	<b>364454</b>

**Note 8**

**Bank Balances other than Cash and Cash Equivalents**

**(Rupees)**

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed Deposits against Bank Guarantee	1,251,022	1,168,664
Others:		
Interest accrued but not due		-
<b>Total</b>	<b>1,251,022</b>	<b>1,168,664</b>

**Note 9**

**Borrowings**

**(Rupees )**

Particulars	As at 31 March 2021	As at 31 March 2020
<b><u>NON CURRENT</u></b>		
HDFC Car Loan	208118	187,320
Machinery Loan		156,698
<b>Sub - Total</b>	<b>208,118</b>	<b>344,018</b>
<b><u>CURRENT</u></b>		
<b><u>Unsecured</u></b>		
Loans repayable on demand		
HDFC Bank car loan	294361	501473
<b>Sub - Total</b>	<b>294361</b>	<b>501473</b>
<b>Total</b>	<b>502479</b>	<b>845491</b>

**Phaarmasia Limited**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

**Note 10**

**Provisions**

(Rupees )

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (Refer Note 28(f))				
Gratuity	2,246,392	5,667,667	4,320,050	-
Leave Encashment		-		-
Provision for tax			1,619,530	2,807,983
<b>Total</b>	<b>2,246,392</b>	<b>5,667,667</b>	<b>5,939,580</b>	<b>2,807,983</b>

**Note 11**

**Deferred Tax Liabilities - (Net)**

(Rupees )

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Liabilities (Net); Opening	1,568,746	16,468
Add on account of Difference in net Block of Assets	-179,707	1,552,917
Add: on account of differement of Processing Charges		-640
<b>Total</b>	<b>1,389,039</b>	<b>1,568,746</b>

**Note 12**

**Trade Payables**

(Rupees )

Particulars	As at 31 March 2021	As at 31 March 2020
Outstanding due of Micro and Small Enterprises (Refer Note 28(d))	258040	594938
Outstanding due of Creditors other than Micro and Small Enterprises	66282572	181984844
<b>Total</b>	<b>66540612</b>	<b>182579782</b>

**Note 13**

**Other Financial Liabilities**

(Rupees )

Particulars	Current	
	As at 31 March 2021	As at 31 March 2020
Other payables	656,690	616,395
<b>Total</b>	<b>656,690</b>	<b>616,395</b>

**Note 14**

**Other Liabilities**

(Rupees )

Particulars	Current	
	As at 31 March 2021	As at 31 March 2020
Salaries and employee benefits	1,459,348	2,654,301
Statutory Liabilities		
Statutory Dues (duties & taxes)	<b>3,528,133</b>	3,055,657
Liabilities for expenses	345,595	397,345
Liabilities for employee benefits		
Others	-	1,721,144
<b>Total</b>	<b>5,333,076</b>	<b>7,828,447</b>

## Phaarmasia Limited

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

<b>Note 15</b>		<b>(Rupees )</b>	
<b>Revenue From Operations</b>		<b>2020-21</b>	<b>2019-20</b>
<b>Particulars</b>	<b>Year Ended 31 March 2021</b>	<b>Year Ended 31 March 2020</b>	
<b>Revenue From Operations</b>			
OCP Sales (Govt. & Others)	162554174	189304934	
Sales GST	32036857	35222620	
P TO P GST	4324247	9969533	
Exports OCP	-	3357600	
Others	37373	-	
Job Work Services	-	6681724	
<b>Total</b>	<b>198,952,651</b>	<b>244,536,412</b>	

<b>Note 16</b>		<b>(Rupees )</b>	
<b>Other Income</b>		<b>Year Ended31 March 2021</b>	<b>Year Ended31 March 2020</b>
<b>Particulars</b>	<b>Year Ended31 March 2021</b>	<b>Year Ended31 March 2020</b>	
Interest Earned	151,186	162,405	
C & F Commission	3,622,139	5,175,420	
Technical Consultancy Charges	5,000,000		
Duty Draw Back	-	43,649	
Miscellaneous Income	162,115	395,710	
<b>Total</b>	<b>8,935,440</b>	<b>5,777,184</b>	

<b>Note 17</b>			
<b>Cost of Materials consumed</b>		<b>Year Ended31 March 2021</b>	<b>Year Ended31 March 2020</b>
<b>Particulars</b>	<b>Year Ended31 March 2021</b>	<b>Year Ended31 March 2020</b>	
<b>Raw Material</b>			
Purchases	84,867,803	124,245,394	
Add: Opening Stock	27,148,136	32,633,377	
	<b>112,015,939</b>	<b>156,878,771</b>	
Less Closing Stock	10,804,103	27,148,136	
<b>Raw Material Consumption</b>	<b>101,211,836</b>	<b>129,730,635</b>	
<b>Packing Material</b>			
Purchases	26,416,967	54,893,890	
Add: Opening Stock	8,626,153	7,483,002	
	<b>35,043,120</b>	<b>62,376,892</b>	
Less Closing Stock	11,360,704	8,626,153	
<b>Packing Material Consumption</b>	<b>23,682,416</b>	<b>53,750,739</b>	
<b>Cost of Material Consumed</b>	<b>124,894,252</b>	<b>183,481,374</b>	

## Phaarmasia Limited

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

#### Note 18

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

Particulars	Year Ended31 March 2021	Year Ended31 March 2020
Closing Stock:		
Finished Goods	412,219	105,429
Work-in-Progress	3,771,830	24,967,640
	4,184,049	25,073,069
Less: Opening Stock:		
Finished Goods	105,429	1,371,520
Work-in-Progress	24,967,640	18,165,078
	25,073,069	19,536,598
<b>Total</b>	<b>20,889,020</b>	<b>(5,536,471)</b>

#### Note 19

#### Employee Benefits Expense

Particulars	Year Ended31 March 2021	Year Ended31 March 2020
Salaries and Wages	9,873,627	10,586,952
Director Remuneration	2,238,960	1,800,000
Contribution to Provident fund, ESI, gratuity and other funds	2,439,677	2,990,555
Staff welfare expenses	399,358	441,391
<b>Total</b>	<b>14,951,622</b>	<b>15,818,898</b>

#### Note 20

#### Finance Costs

Particulars	Year Ended31 March 2021	Year Ended31 March 2020
Interest Expense	93991	368564
Other Financial Charges	22831	0
	<b>116822</b>	<b>368564</b>

#### Note 21

#### Depreciation and Amortisation expense

Particulars	Year Ended31 March 2021	Year Ended31 March 2020
Depreciation on Property, Plant And Equipment	3412482	3988972
Amortisation on Intangible Assets	0	0
	<b>3412482</b>	<b>3988972</b>

## Phaarmasia Limited

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

#### Note 22

#### Other Expenses

(Rupees)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Laboratory chemicals & Analysis	448,501	408,871
Freight Outward & Cartage	312,502	822,089
Power & Fuel	5,395,700	7,811,817
Water Charges	386,980	1,183,239
Labour charges	15,267,899	13,042,908
Job Work Charges	2,497,152	2,290,012
Consumable Stores	1,121,691	1,237,143
Car Upkeep	433,947	299,041
Factory Maintenance	773,665	931,454
Laboratory Maintenance	1,496,664	775,578
Repairs & Maintenance - Electrical	91,771	526,938
Repairs & Maintenance- Buildings	-	37,987
Repairs & Maintenance- Machinery	1,192,918	1,244,079
Repairs & Maintenance- Airconditioners	9,321	383,250
Repairs & Maintenance (Others)	1,355	445
Repairs and Maintenance Computers	34,249	101,293
Insurance	313,616	216,248
Licence Fees, Rates & Taxes	500,004	483,870
Property Tax	1,058,608	1,058,608
Travelling Expenses	393,000	674,904
Consultancy Charges	453,883	508,591
Conveyance Expenses	1,034,686	1,141,665
Postage & Telephones	158,016	215,345
Rent	18,000	18,000
Subscriptions	43,355	96,688
Advertisement	76,736	57,248
Office Expenses	45,573	45,261
Audit Fees	100,000	100,000
Internal Audit Fee	9,000	9,000
Sitting Fee	176,000	92,000
Printing and stationery	224,129	282,690
Security Charges	712,995	1,014,039
AGM Expenses	33,000	681,951
Commission on Export	-	140,000
Transport Charges (commission)	-	28,891
Commission Expenses	3,407,656	4,624,336
Service Tax paid	614,211	-
<b>Total</b>	<b>38,836,783</b>	<b>42,585,479</b>

#### Note 23

#### Exceptional Items

(Rupees)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
<b>On account of One time settlement with Banks</b>		
Gain on Sale of Subsidiary	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Pharmasia Limited**

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021**

**Note 24**

**A. Capital Management**

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

As at 31st March, 2021, the Company has only one class of equity shares and has no long term debt. Consequent to such capital structure, there are no externally imposed capital requirements. The Company allocates its capital for re-investment into business based on its long term financial plans.

**B. Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

**i) 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 effect 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.

**Interest Rate Risks**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has no outstanding bank borrowings. The company believes that the working capital available is sufficient to meet its current requirements. The company's exposure to interest rate risk arises primarily from deposits with Banks.

**Foreign Currency Risks**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities i.e. Cost of material which is denominated in a foreign currency though the same is payable in INR.

**ii) Credit Risk**

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Balances with Banks.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. 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.

**iii) Liquidity Risk**

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

**Exposure to liquidity risk:**

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	Note 9	208,118 (344,018)			
Trade Payable	Note 12	66,540,612 (182,579,782)			
<u>Other Financial Liabilities</u>	Note 13				-
Liabilities for Expense		656,690 (616,395)			

Figures in brackets are in respect of Previous year

**Pharmasia Limited**  
**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021**

**Note 25**

**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 .

31 March 2021	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)	
<b>Financial assets</b>									
	3	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-
	6	42,655,778	-	-	42,655,778	-	-	42,655,778	42,655,778
	7	2,574,286	-	-	2,574,286	-	-	2,574,286	2,574,286
	8	1,251,022	-	-	1,251,022	-	-	1,251,022	1,251,022
	4	2,628,186	-	-	2,628,186	-	-	2,628,186	2,628,186
		49,109,272	-	-	49,109,272	-	-	49,109,272	49,109,272
<b>Financial liabilities</b>									
	10	-	-	208,118	-	-	-	208,118	208,118
	12	66,540,612	-	-	66,540,612	-	-	66,540,612	66,540,612
	13	656,690	-	-	656,690	-	-	656,690	656,690
		67,197,302	-	208,118	67,405,420	-	-	67,405,420	67,405,420

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)	
<b>Financial assets</b>									
	3	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-
	6	123,194,937	-	-	123,194,937	-	-	123,194,937	123,194,937
	7	364,454	-	-	364,454	-	-	364,454	364,454
	8	1,168,664	-	-	1,168,664	-	-	1,168,664	1,168,664
	4	2,628,186	-	-	2,628,186	-	-	2,628,186	2,628,186
		127,356,241	-	-	127,356,241	-	-	127,356,241	127,356,241
<b>Financial liabilities</b>									
	10	-	-	344,018	-	-	-	344,018	344,018
	12	182,579,782	-	-	182,579,782	-	-	182,579,782	182,579,782
	13	616,395	-	-	616,395	-	-	616,395	616,395
		183,196,177	-	344,018	183,540,195	-	-	183,540,195	183,540,195

**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 2021

**Note 26****Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate****(Rupees )**

<b>Particulars</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Accounting Profit before Income Tax</b>	<b>4,787,110</b>	<b>9,606,780</b>
At India's statutory income tax rate of (31 March 2021: 25.17%)	1,204,916	2,418,026
Effect of Expenses deductible for Tax purposes	(820,079)	(784,574)
Effect of non-deductible expenses	1,234,712	1,174,530
Effect of Gratuity recognised in OCI	227,919	(151,373)
<b>Total</b>	<b>1,847,467</b>	<b>2,656,610</b>

**Pharmasia Limited**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021**

**NOTE 27**

**Auditors Remuneration**

(Rupees )

Particulars	For the year Ended 31-March-21	For the year ended 31-March-20
a) Audit fees	100,000	100,000
b) Other charges		
Taxation matters		
Certification fee		
c) Reimbursement of out of pocket expenses		
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

**NOTE 28**

**ADDITIONAL/EXPLANATORY INFORMATION**

**a) Earnings Per Share**

(Rupees )

Particulars		For the year Ended 31-March-21	For the year ended 31-March-20
Profit after taxation	Rs. Lacs	3,119,863	5,397,892
Weighter Average Number of equity shares (Face Value Rs. /-)	Nos.	6,826,960	6,826,960
Earnings per share - Basic	Rs.	0.46	0.79
Earnings per share - Diluted	Rs.	0.46	0.79

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

**(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.

	(Rupees )	
	2020-21	2019-20
Revenue from External Customers:		
India	198,952,651	244,536,412
Outside India		-
	<u>198,952,651</u>	<u>244,536,412</u>
Non-current assets (other than financial instruments)		
India	130,236,148	133,648,628
Outside India		-
	<u>130,236,148</u>	<u>133,648,628</u>

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:

	(Rupees )	
	As at 31 March 2021	As at 31 March 2020
(i) Principal amounts remaining unpaid to suppliers as at the end of the accounting year	258,040	594,938
(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 29

## 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:

Key Management Personnel	Designation
Maneesh Pharmaceuticals Limited	Holding Company/Promoter Group
Svizera Labs Pvt. Ltd.,	Associate Company
Shubh Pharma Agency	Enterprise where directors are interested
Mr. Maneesh R.Sapte	Managing Director
Mr. Y N Bhaskar Rao	Whole Time Director
Mr. Vinay Ramakant Sapte	Non Executive Director
Mrs. Rashmi Vinay Sapte	Non Executive 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-21	31-Mar-20	31-Mar-21	31-Mar-20
<b>i) Holding Company / Promoters Group</b>				
<b>Sales and Purchases</b>				
<b>Maneesh Pharmaceuticals Ltd.,</b>				
Purchase / Services	72,406,446	137,745,794		
Sales	62,986,331	62,709,265		
<b>Enterprise where directors are interested</b>				
<b>Svizera Health Remedies LLP</b>				
Purchases	-	-		
Sales	4,854,043	11,292,821		
<b>Shub Pharma Agency</b>				
Services	3,891,274	5,277,272		
<b>Balances with the Related Parties</b>				
<b>1 Receivables</b>				
Maneesh Pharmaceuticals Ltd			23,058,291	66,880,575
Svizera Health Remedies LLP			1,790,004	8,960,515
<b>2 Payables</b>				
Maneesh Pharmaceuticals Ltd			42,721,521	143,522,096
Shub Pharma Agency			536,388	524,905
<b>ii) Key Management Personnel:</b>				
Remuneration*				
Mr. Y.N.Bhaskar Rao	2,641,177	2,401,070		
Mr. N. E. V. Prasad Rao C F O	1,275,000	1,155,000		
Abhishek Wakchaure		126,000		
Urvasi Bhatia	273,000	66,000		
<b>Setting fee</b>				
Mr. Vinay R. Sapte	52,000	28,000		
Mrs. Rashmi V. Sapte	20,000	8,000		

\* 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 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: 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.

## NOTE 30

## 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:

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
i)	Current service cost	227,707	155,358
	Interest cost on net defined benefit liability/(asset)	357,747	446,043
	Gratuity cost recognized in statement of profit and loss	585,453	601,411

## ii) Defined benefit obligation (Unfunded) :

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	Present value of funded obligations	6,566,442	5,667,667
	Fair value of plan assets	-	-
	Net defined benefit liability/(asset)	6,566,442	5,667,667

## i) Changes in the Present Value of Obligation

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	Present Value of Obligation as at the beginning	5,667,667	5,921,303
	Current Service Cost	227,707	155,358
	Interest Expense or Cost	357,747	446,043
	Re-measurement (or Actuarial) (gain) / loss arising from:		
	- change in financial assumptions	48,388	(673,682)
	- experience variance (i.e. Actual experience vs assumptions)	857,129	-
	Benefits Paid	(592,195)	(181,354)
	Present Value of Obligation as at the end	6,566,443	5,667,668

## ii) Expenses Recognised in the Income Statement

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	Current Service Cost	227,707	155,358
	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	357,747	446,043
	Gratuity cost recognized in statement of profit and loss		601,411
	Expenses Recognised in the Income Statement	585,454	1,648,855

## iii) Other Comprehensive Income

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	Actuarial (gains) / losses		
	- change in financial assumptions	48,388	(673,682)
	- experience variance (i.e. Actual experience vs assumptions)	857,129	-
	Components of defined benefit costs recognised in other comprehensive income	905,517	(673,682)

## 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-21	31-Mar-20
Discount rate (per annum)	6.30%	6.66%
Salary growth rate (per annum)	6% to 10%	6% to 10%

## b. Demographic Assumptions

Particulars	As on	
	31-Mar-21	31-Mar-20
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rates, based on age: (per annum)	5.00%	5.00%
Normal retirement age	58.00	58.00

## 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 2021	As on 31 March 2020
Defined Benefit Obligation (Base)	6,566,443	5,667,668

**Pharmasia Limited**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021**

**NOTE 31**

<b>g)</b> Commitment	NIL	(NIL)
<b>h)</b> Contingent Liabilities not provided for:	NIL	(NIL)

**As per our report of even date**

**For Sathuluri & Co.**

Chartered Accountants

Sd/-

(S.S.PRAKASH)

Proprietor

Membership No.202710

Date: 25-06-2021

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

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