

Pharmaids

The Pharmaids Pharmaceuticals Limited



Twentieth Annual Report
of

The Pharmaids Pharmaceuticals Limited
2008 - 09



PHARMAIDS PHARMACEUTICALS LIMITED

REGD. OFF. : 4-4-211/212/3, 1st Floor, Inderbagh, Sulthan Bazar, Hyderabad -500 095.

**TWENTIETH ANNUAL REPORT
2008-09****BOARD OF DIRECTORS**

Dr. Ghisulal Jain	:	Chairman & Managing Director
Shri Subhash Jain	:	Executive Director
Shri Hasmukh Jain	:	Director
Shri Mahendra K. Ranka	:	Independent Director
Shri M. Sudheer Anand	:	Independent Director
Shri G. Uday Kumar	:	Independent Director

REGISTERED OFFICE
4-4-211/212/3, 1st Floor,
Inderbagh, Sultan Bazaar,
Hyderabad 500 095

E-MAIL
mailpharmaids@yahoo.co.in

WEBSITE
www.pharmaidsindia.com

WORKS
Sy. No: 533, (V) Kondamadugu
(M) Bibinagar, Dist., Nalgonda
TelNo:08685-329988

AUDITORS
M/s. Lakshminiwas & Jain
Chartered Accountants

LISTING AT
The Hyderabad Stock Exchange Ltd.,
Bombay Stock Exchange Ltd.,

REGISTRAR & SHARE TRANSFER AGENTS
M/s. Venture Capital & Corporate Services Ltd.,
12-10-167, **Bharat Nagar**,
Hyderabad 500 018.

BANKERS
Central Bank of India
Gudimalkapuram Branch, Hyderabad

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NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of M/s. **PHARMAIDS PHARMACEUTICALS LIMITED.**, will be held on 30th September 2009, Wednesday at 10.30 a.m. at Andhra Pradesh Chemists & Druggists Association, 5-9-262/1, King Koti, Hyderabad to transact the following business:

ORDINARY BUSINESS :

1. To receive consider and Adopt Audited Balance Sheet and Profit and Loss account of the company for the year ended 31st March 2009 and the report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri **Mahendra Kumar** Ranka who retires by rotation and who being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri **Subash** Lalwani who retires by rotation and who being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors.

"RESOLVED THAT consent of members be and hereby accorded for the appointment of M/s. **Laxminiwas & Jain**, Chartered Accountants, Hyderabad as Statutory of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company".

Special Business :

5. To appoint Mr. G. Uday Kumar as Director

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

"Resolved that Mr. G. Uday Kumar, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

By order of the Board
For PHARMAIDS PHARMACEUTICALS LTD.,

Sd/-

(DR. GHISULAL JAIN)
CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad

Date: 1.09.2009

NOTES FOR MEMBERS ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A **PROXY** TO ATTEND AND VOTE INSTEAD OF HIMSELF **AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED **AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Members are requested to notify immediately any change in their address to the Company's share transfer agent.
3. The register of members and shares Transfer books of the company will remain closed from 25-09-2009 to 30-09-2009 (both days inclusive)

4. Members are requested to bring their copies of the Annual Report to the meeting as no copies of the Annual Report will be available for distribution to the members at the place of the meeting.
5. Any member requiring further information on accounts at the meeting are requested to address their queries in writing to the company at least 10 days in advance of the meeting, so that information required may be made available at the meeting.
6. Pursuant to the requirements of the listing agreement of stock exchanges, the information of the directors proposed to be appointed or Re- appointed is given in the annexure to the notice.

Additional Information required to be furnished as per the Listing Agreement.

Name of the Director	Shri Mahendra Kumar Ranka
Age	47 yrs.
Education Qualification	B.A. Corporate
Experience	20 years in Profession
Directorships in other Companies	NA

Name of the Director	Shri Subhash Lalwani
Age	40 yrs.
Education Qualification	Degree
Experience	15 years in Profession
Directorships in other Companies	NA

By order of the Board
For **PHARMAIDS PHARMACEUTICALS LTD.,**
Sd/-

(**DR. GHISULAL JAIN**)
CHAIRMAN & MANGING DIRECTOR

Place: Hyderabad
Date: 1.09.2009

Explanatory Statement (Pursuant to Section 173(2) of Companies **Act**, 1956)

Item No. 1 :

Shri G. Uday was appointed as an additional director by the Board with effect from 30th April 2009.

In terms of Section 260 of the Act and Article 101 of the Company's Articles of Association, Shri G. Uday Kumar hold office as Directors only till the date of the forthcoming Annual General Meeting but is eligible for appointment. Notice has been received from member as required by Section 257 of the Act, signify his intention to propose the candidatures of Shri G. Uday Kumar for the office of Director.

G. Uday Kumar, B. Pharmacy aged 32 years, is a qualified **Pharmaceuticals** Manufacturing Chemist, having Experience Marketing. He is not a director in any other Company incorporated in India. He holds Nil equity shares of the Company in his name as on 31st March 2009.

None of the Directors other than Shri G. Uday Kumar is interested in the respective Resolution.

By order of the Board
For **PHARMAIDS PHARMACEUTICALS LTD.,**
Sd/-

(**DR. GHISULAL JAIN**)
CHAIRMAN & MANGING DIRECTOR

Place: Hyderabad
Date: 1.09.2009

DIRECTORS' REPORT

To
The Members,

The Directors hereby present their Twentieth Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS

(Rs. In lacs)

PARTICULARS	2008-09	2007-08
Profit before Depreciation	(4.05)	(12.75)
Less: Depreciation	8.04	9.66
Less : Provision for Tax		
Current		0.00
Deferred Tax	1.08	3.44
Fringe Benefit Tax	0.06	0.09
Profit / (Loss) for the year	(10.95)	(19.07)
Less: Prior period adjustment	0.00	0.00
Add: Profit b/f from earlier years	(103.01)	(83.93)
Loss carried to Balance Sheet	(113.96)	(103.01)

2. OPERATIONS:

Your directors are pleased to inform you that the company's direction towards modernization and implementation of WHO GMP is in completion stage. As the over burden on company the Central Government policy of excise duty, the company is planning to produce the material through excise free zone. In this regard the first step towards getting the material through job works and contract basis.

3. RESERVES :

The Company has not transferred any amount to reserves during the financial under review.

4. PUBLIC DEPOSITS:

Your company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on 31st March 2009.

5. OUTLOOK FOR THE CURRENT YEAR

The Company is looking for the new market with new product. In this regard your company is and its under process to in Strengthening the marketing department.

STATUTORY DISCLOSURES**6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Additional information to the extent applicable on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and form part of the report.

7. AUDITORS:

M/s. Lakshminiwas & Jain, Chartered Accountants are Auditors of the company who retires at the ensuing Annual General Meeting and are eligible for re-appointment.

8. DIRECTORS:

In accordance with the Provisions of the Companies Act, 1956 and the Articles of Association of the Company, **Sri Hasmukh Jain** and **Shri M. Sudheer Anand** retires by rotation and being eligible, offer themselves for re-appointment.

9. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, the directors, based on the representations received from the operating management, confirm that:

- a. in the preparation of the Annual Accounts for the Financial year ended 31st March, 2009, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit & loss of the Company for the year ended under review.
- c. the Directors 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 & detecting fraud and other irregularities; and
- d. the directors had prepared the annual accounts of the company for the financial year ended 31st March 2009 on a going concern basis.

10. PARTICULARS OF EMPLOYEES :

During the year, no employee of the company was in receipt of remuneration exceeding the sum prescribed under sec. 217 (2A) of the Companies Act, 1956. Hence, furnishing of particulars under the companies (particulars of employees) Rules, 1975 does not arise.

11. EXPLANATION TO AUDITORS OBSERVATIONS :

The observations made by the Auditors in their report referring to the notes forming part of the Accounts are self-explanatory to the extent necessary and do not require any further elucidation.

12. DISCLOSURE AS PER LISTING AGREEMENT:

Clause 32

The Cash Flow Statement in accordance with accounting standard of Cash Flow Statement (AS-3) issued by ICAI is appended to this Annual Report.

Clause 43A

The Companies shares are listed on the Hyderabad Stock Exchange Ltd., and Bombay Stock Exchange Ltd., It is further informed that the Annual Listing Fees to all the Stock exchange is paid upto 2009-10.

13. CORPORATE GOVERNANCE

Your company has consistently adopted high standards of Corporate Governance. The code of conduct for the board and the senior management was adopted by the company. Your company is fully compliant with the latest guidelines.

14. DIVIDEND :

In order to conserve funds for long term purposes, your Directors do not proposed any dividend for the financial year 2008-09.

15. MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report, has been attached and forms part of the Annual Report.

16. SEGMENT WISE PERFORMANCE

Company operates only one segment i.e. Production and Marketing of Pharmaceutical Formulations.

17. INDUSTRIAL RELATIONS

Industrial relations continue to be cordial and the management places on record its appreciation (or the devotion and commitment demonstrated at all times particularly during the critical times, which the company had to pass through.

18. HUMAN RESOURCE :

The Board of Directores would like to place on record its deep appreciation to all the employees for their dedicated servissess to the **company**. Our organizational culture and work **environment** is central to our ability to complete effectively.

19. Compliance Certificate

Company has taken initiative to appoint Qualified Company Secretary to comply with the provision of Section 383 of the companies Act, Listing Agreement. The efforts of the company was not **fruitful**, however company is availing the services from Practicing Company Secretary.

21. ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep sense of appreciation for **the** devoted **services** of the Executives, Staff, Clients, the Central & State Governments, Bankers, Institution for their **Continued** support and as well as co-operation with the Company.

By order of the Board
For **PHARMAIDS PHARMACEUTICALS LTD.**,

Sd/-
(DR.GHISULAL JAIN)

Chairman & Managing Director

Place : Hyderabad
Date : 01-09-2009

ANNEXURE TO DIRECTORS' REPORT

Particularly required under the Companies & Disclosure of particulars in the Report of Board of Directors Rules, 1988.

1. Conservation of energy

Energy conservation measures taken as:

- i. Standard operating process is being implemented for Plant & Machinery.
- ii. Capacitors are used to improve power efficiency.
- iii. Total energy consumption per unit of production is as per **form-A**

The Annexure to the rules in respect of Industries specified the schedule there to :

FORM - A

FORM FOR DISCLOSUE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power & Fuel consumption	2008-09	2007-08
ELECTRICITY:		
1. Purchase		
Total Units (KWH)	6343	17,392
Total amount (Rs. In lacs)	55051	1,16,410
Rate per unit in Rs.	8.68	7.30
2. Own Captive Generation through		
Diesel Generator	-	-
Unit (KWH)	-	-
Unit per Ltd.,	-	-
Cost per Unit (Rs.)	-	-
B. Consumption per unit of production		
Electricity (unit/kg)		

Since the company manufactures different types of Drug formulations it is not practicable to give consumption per unit of product.

II. TECHNOLOGY ABSORPTION:

Efforts made to technology absorption are as per form B of the rule:

FORM - B

Disclosure of particulars with respect to technology absorption research and development (R&D).

In house development works is carried out by the company by implementing GMP guidelines, no significant expenditure is incurred.

By order of the Board
For **PHARMAIDS PHARMACEUTICALS LTD.**,

Sd/-

(DR.GHISULAL JAIN)

Chairman & Managing Director

Place : Hyderabad

Date : 01-09-2009

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE:

The **Pharmaids Pharmaceuticals** Limited is primarily engaged in manufacture affordable life saving drugs in the various form like Tablets, Capsules, Liquids and Powders etc., in allopathic and herbal drug formulation.

DISCUSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

OPPORTUNITIES AND CHALLENGES / BUSINESS REVIEW :

Pharmaceutical market is growing aggressively in India, **with** a executed growth rate of 10 to 15%, thus it will support companies sales **plan**, which will be achieved in coming financial year, as company also planning to manufacturing its large volume product at excise free zone to Stablise in market.

SEGMENT WISE PERFORMANCE :

FUTURE LOOK

As soon as company start its operation from excise free **zone** in Northern India, and existing facilities with Now Schedule 'M' GMP guideline then company will be able to cater growing demand, therefore Company is confident of accelerating the growth rate during the current year.

RISKS & CONCERNS :

Companies main concern is to implement the Government policies as implementing the new **schedule M'** guidelines and WHO GMP standards. Your company is taking the all possible steps and it **will** over comes from the additional burdens.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

Your Company continues to place considerable emphasis and efforts on the internal control systems. Periodical internal audits, limited reviews by the management and audit committee meetings is focusing on the quality of the internal checks and balances in the finance and accounting aspects.

Your Directors are taken all steps for recovery of old dues and in some cases, company has taken legal cases and also lodged a legal complaint regarding our trade mark of the Dicloplus Tab.

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

MATERIAL DEVELOPMENT IN HUMAN RESORCES / INDUSTRIAL RELATIONS :

The company has cordial relations with employees and staff.

CAUTIONARY STATEMENT :

Statement in the Management and Discussion Analysis which seek to describe the Company's objective, projections, estimates, expectations or precitions may be considered to be forward looking statements within the meaning of the applicable securities laws and regulations. Actual resultes could differ materially from those expressed or implied. Important **factors** that could make a difference to the Company's operations include Indian demand and supply **conditions**, availability of working capital, raw material prices, changes in government regulations, tax regime, economic developments within India and globally.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy :

Your directors feels that it is the significance of improved employee morale. The system of Corporate Governance is the encompassing the functioning of a company. Pharmaids Pharmaceuticals Limited is committed to enhancement of value of the long term shareholders and protect their interests on the company.

2. Board of Directors

The board comprises of six directors of which three are whole-time Directors while the rest are independent directors. The day to day administration of the company is looking after by Managing Director and the Executive Director.

Sl. No.	Name	Designation	No. of other Directorships	No. of Committees in which the Director is either member/Chairman in other companies
1.	Dr. Ghisulal Jain	Managing Director & Non independent director	NIL	NIL
2.	Mr. Subhasj Jain	Executive & Non Independent Director	NIL	NIL
3.	Mr. Hasmukh Jain	Director	NIL	NIL
4.	Mr. Mahendra K. Ranka	Independent Director	NIL	NIL
5.	Mr. M. Sudheer Anand	Independent Director	NIL	NIL
6.	Mr. G.Uday Kumar	Independent Director	NIL	NIL

3. BOARD MEETING AND ATTENDANCE :

The Board meets at least 4 times in a year at quarterly Intervals and more frequently if deemed necessary to transact its business.

Total Four Meetings of the Board were held during the financial year 2008-2009

NAME	Designation	BOARD ATTENDANCE in Meeting Attended last AGM	OTHER Directorship	No. of Committees in which the Director is either member or Chairman
Dr. Ghisulal Jain	Managing & Non-Independent Director	4	Yes	Nil
Mr. Subhash Jain	Executive & Non-Independent Director	4	Yes	Nil
Mr. Hasmukh Jain	Director	4	Yes	Nil
Mr. Mahendra K. Ranka	Independent Director	4	Yes	Nil
Mr. M. Sudheer Anand	Independent Director	3	Yes	Nil
Mr. G. Uday Kumar	Independent Director	0	Yes	Nil

b. Total No. of Board Meeting held during the year

1st Meeting	31-07-2008	10.30AM	2nd Meeting	30-10-2008	10.30AM
3rd Meeting	30-01-2009	10.30AM	4th Meeting	30-03-2009	10.30AM

c. BOARD PROCEDURE :

Board members are given in advance the **appropriaty** documents and information of each Board and Committee meetings so as to enable them to participate effectively and contribute to the smooth functioning of the company.

4. AUDIT COMMITTEE

Purpose

The functions of the auditee committee includes providing company's Financial Reporting and recommending the appointment and removal of external auditor, internal auditors and reviewing with management the annual financial **statements** before submission to the Board.

The Audit Committee consists of the following :

Mr. M. Sudheer Anand	Chairman
Mr. Mahendra K.Ranka	Member
Mr. Hasmuk Jain	Member

The meeting of the Audit Committee held three times during the year

1st Meeting	18th July, 2008
2nd Meeting	15th October, 2008
3rd Meeting	12th February, 2009

The above meetings covered the matter specified under Clause 49 of the listing agreement of sec.292A of the Companies Act, 1956.

- i. Any changes in accounting policies
- ii. Major accounting entries based on exercise of judgement by management
- iii. Compliance with Stock Exchange and Legal requirement concerning financial statement
- iv. To review the internal **control** system
- v. Reviewing the company's financial and risk management policies.

5. REMUNERATION COMMITTEE :

Dr. Ghisulal Jain	Chairman
Mr. Mahendra K.Ranka	Member
Mr. G. Uday Kumar	Member

Details of Remuneration of Director

NAME	DESIGNATION	SALARY & PERQUISITES
Dr. Ghisulal Jain	CMD	90,000.00
Mr. Subhash Jain	ED	56,000.00

6. INVESTOR GRIEVANCES COMMITTEE

Dr. Ghisulal Jain	Chairman
Mr. Subhash Jain	Member
Mr. Hasmukh Jain	Member

Investor Grievance status chart

PARTICULARS	RECEIVED	RESOLVED
Non receipt of Dividends	Nil	Nil
Transmission	Nil	Nil
Charge of Address	---	---
Request for Demat	41	41
Request for Remat	---	---

Investor Service letters

PARTICULARS	Received	Resolved
Transfers	25	2500
Request for Demat	41	19600

There are no pending Share transfers as on 31st march 2009.

4. AUDIT COMMITTEE**Purpose**

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5. REMUNERATION COMMITTEE :

Dr. Ghisulal Jain	Chairman
Mr. Mahendra K.Ranka	Member
Mr. G. Uday Kumar	Member

Details of Remuneration of Director

NAME	DESIGNATION	SALARY & PERQUISITES
Dr. Ghisulal Jain	CMD	90,000.00
Mr. Subhash Jam	ED	56,000.00

6. INVESTOR GRIEVANCES COMMITTEE

Dr. Ghisulal Jain	Chairman
Mr. Subhash Jain	Member
Mr. Hasmukh Jain	Member

Investor Grievance status chart

PARTICULARS	RECEIVED	RESOLVED
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Request for Demat	41	41
Request for Remat	---	---

Investor Service letters

PARTICULARS	Received	Resolved
Transfers	25	2500
Request for Demat	41	19600

There are no pending Share transfers as on 31st march 2009.

6. General Body Meetings (last 3 AGMS)

FINANCIAL YEAR	DATE	TIME	VENUE	NATURE OF SPECIAL RESOLUTION IF ANY
2007-08	30-09-2008	03.00pm	APCDA, King Koti	NIL
2006-07	29-09-2007	10.30am	APCDA, King Koti	NIL
2005-06	28-09-2006	10.30am	APCDA, King Koti	NIL

Postal **Ballot** : No special resolution requiring a postal ballot under sec. **192A** of the Companies Act, 1956 was placed before the last AGM. Similarly, no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

7. DISCLOSURES**Related party Transactions :**

- a) The company has not made any related party transactions during the previous year and none of the transactions with any related parties were in conflict with interest of the company at large.
- b) The disclosure on details of non compliance by the company, penalties, structures imposed on the company by the stock exchange, SEBI or any statutory authority does not arise as there were no instances of non compliance of any matter related to the capital markets during the last 3 years.

8. MEANS OF COMMUNICATION :

a) The Board of directors of the company approves and takes on record the unaudited financial results in **proforma** prescribed by the stock exchange. Where the Shares of the company are listed, within 1 month of the close of quarter and announces forth with the results to the stock exchange. The unaudited / audited results will be published usually in the news papers.

9. GENERAL SHAREHOLDERS INFORMATION :

- A. 20th Annual General Meeting : Tuesday 30.09.09 at 10.30 a.m at APCDA,
Day, Date, Time & Venue King Koti, Hyderabad
- B. Financial Year : 1st April to 31st March 2009
1st Quarter results : July 2008
2nd Quarter and half yearly results : October 2008
3rd Quarter results : January 2009
Last Quarter results/Audited results : April 2009/June 2009
- C. Dates of book closure : Friday 25th September 2009 to
Wednesday 30th September 2009
- D. Dividend Payment Date : NA
- E. Listing on Stock Exchanges : The Hyderabad Stock Exchange Ltd and
Bombay Stock Exchange Ltd., - Mumbai.
Stock Code : 524572

The company has paid its annual listing fees to the stock exchange for the financial year 2008 to 2009

- F. Market price data : High / Low price quotation in each month of
the last financial year 2008 to 2009 on the stock
exchange, Mumbai is given below.

Month	High	Low
April 2008	9.60	5.86
May 2008	9.80	8.68
June 2008	8.25	5.00
July 2008	5.67	3.76
August 2008	6.59	4.90
September 2008	7.98	5.00
October 2008	6.79	3.95
November 2008	4.45	3.34
December 2008	3.40	3.00
January 2009	3.92	3.00
February 2009	2.86	2.12
March 2009	2.50	1.58

Source : www.bseindia.com

10. SHARE TRANSFER SYSTEM

Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects, the Shares of the company have been placed by the SEBI under compulsory **dematerialization (DEMAT)**. The company has as per SEBI guidelines with effect from **said** date offered the facility of transfer cum Demat.

11. DISTRIBUTION OF SHAREHOLDING :

S.NO	FROM	TO	NO OF SHARES	% OF SHARES
01	1	500	3622	76.34
02	501	1000	698	14.71
03	1001	2000	214	4.51
04	2001	3000	81	1.70
05	3001	4000	23	0.48
06	4001	5000	27	0.56
07	5001	10000	51	1.07
08	10001	ABOVE	27	0.59
Total			4833	100.00

12. SHARE HOLDING PATTERN :

CATEGORY	NO.OF SHARES	% OF SHARES
Promoters & their family	239395	7.03
Corporate Bodies	3166105	92.97
Total	3405500	100.00

13. DEMATERIALIZATION OF SHARES :

PARTICULARS	NO.OF SHARES	% OF SHARES
NSDL	1542930	45.32
CDSL	756920	22.22
Physical	1159479	32.46

Address for Correspondence
Share Transfer :

for M/s. Venture Capital & Corporate Investment Ltd.
12-10-167, BharatNagar, Hyderabad 500 004.

14. DISCLOSURE AS PER LISTING AGREEMENT :

The cash flow statement in accordance with the accounting standard of cash flow statement (AS -1) issued by ICAI is appended to this annual report,

15. SECRETARIAL AUDIT :

The company gets the **secretarial** Audit done by a **practicing** company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Secretarial Audit report placed before the Board of directors on the quarterly basis is also sent to the stock exchanges where the companies Shares are listed.

16. COMPANY'S POLICY PREVENTION OF INSIDER TRADING :

Pursuant to the requirements of **SEBI** (Prohibition of insider Trading) Regulations, 1992, as amended, the company had framed a **code** of conduct for prevention of insider trading. Mr. Venkata Reddy had been appointed as the Compliance officer for this purpose. The code is applicable to all such employees of the company who are expected to have access to the unpublished price sensitive information relating to the company and the same is being implemented as a self-regulatory mechanism.

17. ADDRESS FOR CORRESPONDENCE :

The address for all correspondence is :

M/S. PHARMAIDS PHARMACEUTICALS LTD.

Regd : Off : 4-4-211/212/3, 1st floor, Inderbagh, Hyderabad 500 095.

E-mail: mailpharmaids@yahoo.co.in

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

Pursuant to circular No. **SEBI/CFD/DIL/2004/12/10** dated 29th October 2004, it is hereby declared that the company has adopted a Code of Conduct for its Board members and senior management personnel. I hereby confirm that the company has in respect of the financial year ended march 31,2009, received from the senior management personnel of the company and the members of the Board a declaration of compliance with the Code of Conduct as applicable them.

19. DEMATERIALIZATION OF SHARES :

The securities exchange board of India has made it compulsory to trade in the equity shares of the company in the dematerialized form only, by all the investors and the company has entered into tripartite agreement with NSDL, CDSL and M/s. Venture Capital & Corporate Investments Ltd. Hyderabad

By order of the Board

For PHARMAIDS PHARMACEUTICALS LTD .

Sd/-

(DR. GHISULAL JAIN)

CHAIRMAN & MANAGING DIRECTOR .

Place: Hyderabad

Date: 1.09.2009

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Dr Gisulal Jain, Chairman and Managing Director and S.Seshu Prakash Manager / Miss Madhavi Accountant (Finance & Account) of **M/s. PHARMAIDS PHARMACEUTICALS LIMITED**, here by certify to the Board that :

- a) We have reviewed financial statements and the Cash Flow statement for the year and that to the best of our knowledge and belief :
- i) These statements do not contain any materially untrue statement for the year or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations

- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls in the Company and that we have **evaluated the effectiveness** of the internal control **systems** of the **Company** and we have **disclosed** to the auditors and the Audit Committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these **deficiencies**.
- d) We have indicated to the auditors and the Audit committee:
- i) Significant changes in internal control during the year.
 - ii) **Significant changes in accounting policies** during the year and **that** the same have been **disclosed in the notes to the financial statements**; and
 - iii) Instances of significant fraud of which they have become aware and the involvement **therein**, if any, of the **management** or an employee having a **significant** role in the Company's internal control system.
- e) We affirm that we have not denied any personnel access to the Audit committee of the Company (in respect of matters involving alleged misconduct)
- 0 We further declare that all Board Members and designated Senior Management have performed compliance **with** the Code of Conduct for the current year.

	Sd/-	Sd/-
Place : Hyderabad	Dr Ghisulal jain	S. Seshu Prakash
Date : 01-09-2009	Chairman & Managing Director	Manager (F&A)

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

To
The members
M/s. PHARMAIDS PHARMACEUTICALS Limited.,

We have examined the compliance of conditions of the Corporate Governance by PHARMAIDS PHARMACEUTICALS LIMITED for the year ended 31 March 2009, as stipulated in clause 49 of the listing **agreement** with the stock exchanges.

The compliance of conditions of the corporate governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof adopted by the **company** for ensuring compliances of the conditions of the corporate governance. It is neither **audit** nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, and the representations made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the **above-mentioned** listing agreement except appointment of the company secretary.

As **required** by the guidance notes issued by the Institute of Chartered Accountants of India, we **state** that the **shareholders/investor** grievances committee **has maintained** records to show the **investor** grievances and certify that as at **31st** March 2009 there were **no investor grievances** remaining **unattended/pending for more than 30** days.

We further state that such compliance is neither an assurance as to the further **viability** of the company nor the efficiency or effectiveness with which management has conducted affairs of the **company**.

For **LAKSHMINIWAS & JAIN**
CHARTERED ACCOUNTANTS

Sd/-
(SURESH KUMAR JAIN)

Partner

M.NO:018465

Place : **Hyderabad**

Date : 01-09-2009

AUDITORS' REPORT

To

The Members,

M/s. Pharmaids **Pharmaceuticals** Limited, Hyderabad.

1. We have audited the attached Balance Sheet of PHARMAIDS PHARMACEUTICALS LIMITED AS AT 31st March 2009 the Profit and Loss Account and also the Cash Flow Statement for the year ended on that annexed thereto. These financial statements are the responsibility of the **company's** management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material **misstatement**. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-sec (4A) of Sec. 227 of the Companies Act., 1956 of India, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our **audit** ;
 - (b) In our **opinion**, proper books of accounts as required by **law have been** kept by the company so far as appears from our examination of the books ;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of **account** ;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in **Sub Sec (3C) o Sec. 211** of the Companies Act, 1956;
 - (e) On the basis of written representations received **from** the directors, as on 31.08.2009 and taken on record by the Board of **Directors**, we report that none of the directors is disqualified as on 31.03.2009 from being appointed as a director in terms of Clause (g) of Sub-section (1) of the Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and notes forming part of accounts appearing in Schedule **No. 12**, Subject to note No. 3 of Schedule 12, regarding **non** confirmation / reconciliation of balances shown under debtors, creditors, unsecured loans and loans and advances, the impact of which is understated, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance **Sheet**, of the State of **affairs** of the Company as at 31.03.2009;
 - (ii) In the case of Profit and Loss Account of the Loss for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For LAKSHMINIWAS & JAIN
Chartered Accountants

Sd/-

SURESH KUMAR JAIN

Partner

(M.No:18465)

Place : Hyderabad

Date : 01-09-2009

Ref: PHARMAIDS PHARMACEUTICALS LTD. ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) **According** to the information and explanations furnished to us, the company has not disposed off a substantial part of its fixed assets during the year.
- (ii) (a) The inventory **has** been physically verified **by** the management during the year. **In** our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of **inventory**. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) **According** to the information and explanations given to us, the company has neither granted nor taken any loans secured or unsecured **to/from companies**, firms or other parties covered in the register maintained under Sec. 301 of the Companies Act, 1956 hence clause iii (a to g) are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the maintained under Sec. 301 of the Companies Act, 1956 have been so entered.
- (d) In our opinion and according to the information and explanations given to us, there is no transaction made in pursuance of contracts or arrangements entered in the register maintained under Sec 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lakhs in respect of any party during the year.
- (vi) The company has not accepted any deposits from the public within the meaning of **Sec. 58A and 58AA** or any other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, The Company has an internal audit system by their own staff, which needs to be further strengthened.
- (viii) We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the **rules** made by the Central Government for the maintenance of cost **records** under **Sec. 209(1)(d)** and are of the opinion that prima-facie prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and **explanations** given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident Fund investor education and protection fund, employees state Insurance, income tax, **wealth** tax, service tax, sales tax, customs duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, Customs duty, **wealth tax, excise** duty, service tax and cess, which have not been deposited on **account** of any dispute.
- (x) **In our opinion**, the accumulated losses of the company at the end of the year are less than fifty percent of **its** net worth. It has incurred cash losses in the current year as well as in the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the company has not paid dues to Central Bank against Cash Credits Term Loan Accounts in view of the pending court proceedings in respect of non acceptance of One Time Settlement by bank as requested by the company. Subject to the above the Company has not defaulted in repayment of dues to financial institutions Bank and Debenture holders has at Balance Sheet date.
- (xii) In our opinion and according to the information and **explanations** given to us, the company has not **granted** loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of Clause 4 (xii) of the **Companies** (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit Fund or a **nidhi/mutual benefit fund/society**. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities debentures and other investments. Accordingly, the provision of Clause 4(xiv) of the Companies (**Auditor's** Report) order is not applicable to the company.
- (xv) According to the information and explanation **given** to us, the **company** has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were raised.
- (xvii) According to the information and **explanntions** given to us and on the overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) According to the information and explanation given to us, the company has not made preferential allotment of shares to **parties** and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(xviii) of the Companies (Auditor's Report.) Order, 2003 are not applicable to the company.
- (xix) According to the information and explanation given to us, the company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) According to the information and explanation given to us, the company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- (xxi) According to the information and explanation given to us, no fraud on or by the company **has** been noticed or reported **during** the course of our audit.

For LAKSHMINIWAS & JAIN
Chartered Accountants
Sd/-

SURESH KUMAR JAIN
Partner
(M.No:18465)

Place : Hyderabad
Date : 01-09-2009

PHARMAIDS PHARMACEUTICALS LTD.,
BALANCE SHEET AS AT **31ST** MARCH, 2009

Pharmaids

In rupees

		AS ON 31.03.2009	AS ON 31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share capital	1	33514250	33514250
Reserves and Surplus	2	993750	993750
LOAN FUNDS			
Secured Loans	3	7745427	8245427
Unsecured Loans	4	2416710	2416710
Deferred Tax Liability (net) (Seeschedule 12 note no.7)		1701732	1810684
TOTAL		46371869	46980821
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	19601319	19601319
Less: Depreciation		<u>11190252</u>	10385669
Net Block		<u>8411067</u>	9215650
Capital Work in Process		1477161	1477161
		9888228	10692811
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		3782915	4690433
Sundry Debtors		12468883	12241968
Cash and Bank Balances		<u>6212771</u>	723099
Loans and Advances		<u>10678954</u>	11181735
		<u>27552029</u>	28837235
Less: Current Liabilities & Provisions	7		
Current Liabilities		2458171	2840652
Provision		<u>6455</u>	9809
NET CURRENT ASSETS		<u>2464626</u>	<i>2mm</i>
Profit and Loss account		25087403	25986774
		<u>11396238</u>	10301236
TOTAL		46371869	46980821

As per our report of even date
For **LAKSHMINIWAS & JAIN**

On behalf of the Board
FOR PHARMAIDS PHARMACEUTICALS LIMITED.

Sd/
(SURESH KUMAR JAIN)
PARTNER
Membership No: 018465

Sd/-
(DR.GHISULAL JAIN)
CHAIRMAN & MANAGING DIRECTOR

Place : Hyderabad
Date : 01.09.2009

Sd/-
(HASMUKH JAIN)
(DIRECTOR)

PHARMAIDS PHARMACEUTICALS LTD.,
PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2009

In rupees

		AS ON 31.03.2009	AS ON 31.03.2008
INCOME			
Sales		3,995,051	4629441
Other Income	8	<u>228917</u>	<u>450049</u>
		<u>4,223,968</u>	<u>5,079,490</u>
EXPENDITURE			
Materials Consumed	9	3143347	3476973
• Manufacturing and Admn. Expenses	10	870758	1925253
Increase / (Decrease) in finished goods	11	<u>615,688</u>	<u>953225</u>
		<u>4,629,793</u>	<u>6355451</u>
LOSS BEFORE DEPRECIATION		(405825)	(1275961)
Less: Depreciation		804584	966317
LOSS BEFORE TAX		(1210409)	(2242279)
Less: Provision for Tax			
Deferred Tax		(108952)	344197
Fringe Benefit Tax		(6455)	9809
Prior Period Adjustment - prepaid			-
Profit / (Loss) for the year		(1095002)	(1907891)
Add: Adjustment relating to taxes of earlier years			
Loss brought forward from earlier years		(10301236)	8393345
LOSS CARRIED TO BALANCE SHEET		(11396238)	(10301236)
Earning per share		(0.31)	(0.54)
(See schedule 13 note no. 8)			
Basic/Diluted earning per share		-	-
Face Value per share		10	10
NOTES FORMING PART OF ACCOUNTS	12	-	-

As per our report of even date
For LAKSHMINIWAS & JAIN

Sd/-
(SURESH KUMAR JAIN)
 PARTNER
 Membership No:018465

Place:Hyderabad
Date : 01.09.2009

On behalf of the Board
 For PHARMAIDS PHARMACEUTICALS LTD.,

Sd/-
(DR.GHISULAL JAIN)
 CHAIRMAN & MANAGING DIRECTOR

Sd/-
(HASMUKH JAIN)
 (DIRECTOR)

SCHEDULE - 1 : SHARE CAPITAL

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
Authorized 4000000 Equity Shares of Rs.10/- each (P.Y:4000000 Equity Shares)	40000000	40000000
Issued, Subscribed and Paid up 3405500 Equity Shares of Rs.10/- each (P.Y : 3405500 Equity Shares of Rs. 10/- each)	34055000	34055000
Less: Calls in arrears	540750	540750
	<u>33514250</u>	<u>33514250</u>

SCHEDULE - 2 : RESERVES & SURPLUS

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
Capital Subsidy	993750	993750
	<u>993750</u>	<u>993750</u>

SCHEDULE - 3 : SECURED LOANS

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
Central Bank of India Cash Credit	4784888	4784888
Term Loan (Secured against Hypothecation of stores/stocks , collateral security of factory Land & Building , exclusive charge on plant & machinery and personal guarantee of directors of the company)	2960539	3460539
	<u>7745427</u>	<u>8245427</u>

SCHEDULE - 4 : UN-SECURED LOANS

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
Sales Tax deferment (sanctioned by the Commissioner of Industries, to be paid after 14 years. Total eligibility is Rs. 48,53,350)	2381434	2381434
Loan from Directors	35276	35276
	<u>2416710</u>	<u>2416710</u>

SCHEDULE - 5 : DEPRECIATION

In rupees

DESCRIPTION	Rate of Depreciation	GROSS BLOCK		DEPRECIATION			NET BLOCK		
		ASON 01.04.2008	ADDITIONS	ASON 31.03.2009	UPTO 31.03.2008	FOR THE YEAR	UPTO 31.03.2009	ASON 31.03.2009	ASON 31.03.2008
Land	0	201852	0	201852	0	0	0	201852	201852
Buildings	3.34%	5996699	0	5996699	2492277	200290	2692567	3304132	3504422
Plant & Machinery	4.75%	10753798	0	10753798	5571235	510805	6082040	4671758	5182563
Furniture & Fixtures	6.33%	761224	0	761224	535996	48185	634181	127043	175228
Vehicles	9.50%	953470	0	953470	920484	32986	953470	0	32986
Typewriter	4.75%	14376	0	14376	6159	683	6842	7534	8217
Computer	16.21%	674953	0	674953	674953	0	674953	0	0
Electrical Installation	4.75%	244947	0	244947	134564	11635	146199	98748	110383
		19601319	0	19601319	10385669	804584	11190252	8411067	9215651
Previous year		19601319	0	19601319	9419352	966317	10385669	9215650	10182968
Capital WIP		1477161							

SCHEDULE - 6 : CURRENT ASSETS, LOANS AND ADVANCES

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
a. Raw Materials	2903051	1522755
Packing Materials	--	1672126
Finished Goods	545064	1019697
WIP	334800	475855
	3782915	4690433
b. Sundry Debtors (Unsecured and considered good)		
More than 6 months	8104774	9181476
Others	4364109	3060492
	12468883	12241968
c. Cash and Bank balances		
Cash in hand	477646	533781
Cash at Bank (in current a/c with schedule banks)	143631	189319
	621277	723100
d. Loans and Advances		
Advances to suppliers	3871121	4091261
Deposits with Govt. Department	1217827	1217827
TDS / IT recoverable	102890	50820
Advances recoverable in cash or kind value to be received	5487116	5821827
	10678954	11181735
TOTAL	27552029	28837236

SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
1. Current Liabilities		
Sundry Creditors for purchases	1735405	1980375
Directors remuneration payable	607688	702035
Outstanding Liabilities	115078	151117
HDFC Bank Ltd., - Book Overdraft	---	7125
	2458171	2840652
2. Provision for taxation	6455	-
Total	2464626	2840652

SCHEDULE - 8 : OTHER INCOME

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
Interest - Others (TDS of Rs. 51873/-)	228917	450049
	228917	450049

SCHEDULE - 9 : CONSUMPTION OF MATERIALS

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
1. Raw Materials & Packing Materials		
Opening Stock	3194881	3973691
Add: Purchases	-	1502671
	3194881	5476362
Less: Closing Stock	2903051	3194881
	291830	2281481
2. Trade Purchase	2851517	1195492
	3143347	3476973

SCHEDULE - 10 : EXPENSES

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
Electricity	65966	74993
Analytical Charges	-	6530
Other Manufacture Expenses	-	9467
Salaries & Wages	69683	174578
Contribution to PF/ESI (24314+2492)	26806	26107
Staff Welfare Expenses	658	130
Managerial Remuneration	146000	287800
Travelling Expenses - Directors	-	33664
Others	35207	-
Freight & Cartage	69014	60681
Conveyance Charges	8440	7724
Bank Charges	6168	5417
Rents	45432	113336
Repairs & Maintenance - P & M	17679	4716
-Others	-	610
Sales Tax	-	58234
Gratuity	10000	-
Profession Tax	2500	48217
Computer Accounting Charges	36000	---
Telephone, Postage & Telegrams	10834	67747
Printing and Stationery	16013	5500
General Expenses	5420	9715
Payment to Auditors	33090	22443
Discount	99345	---
Fees & Licences	104844	---
Marketing Expenses	---	21197
Business Promotion	25600	-
Patent renewal	9000	---
Advertisement & Publicity	27058	11195
Bad Debts written off	-	875252
	870758	1925253

SCHEDULE - 11 : ACCRETION TO FINISHED GOODS

In rupees

	AS ON 31.03.2009	AS ON 31.03.2008
Opening Stock : Work in Progress	475855	825655
Finished Goods	1019697	1623122
	1495552	2448777
Closing Stock : Work in Progress	334800	475855
Finished Goods	545064	1019697
	879864	1495552
Accretion / (Decretion) to stock	615688	953225

SCHEDULE - 12 : NOTES FORMING PART OF ACCOUNTS

1. Significant Account Policies :

- a. General : Financial **Statements** are prepared under the historical cost convention and in accordance with generally accepted accounting policies.
- b. Fixed Assets : Fixed Assets are stated at cost including expenditure incurred in connection with acquisition and installation thereon.
- c. Depreciation : **Depreciation** has been provided on straight line method at the rates prescribed under schedule **XIV** of the Companies Act, 1956. In respect of additions / deletions, Depreciation has been provided on **pro-rata** basis with reference to the month of addition / disposal.
- d. Inventories : 1. Raw Materials, Packing Materials are valued at weighted average cost.
2. Work In Process valued at estimated cost.
3. Finished Goods valued at lower of cost or realizable value.
- e. Retirement benefit : Contribution to Provident Fund, ESI and Gratuity payable are charged to revenue on accrual basis.
- f. Taxation : Provisions made for Income Tax Liabilities estimated to arise on the results for the year at the current rate of tax in accordance with the income tax act, 1961. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and or capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2. Details of Managerial Remuneration :

	MANAGING DIRECTOR		EXECUTIVE DIRECTOR	
	2008-09	2007-08	2008-09	2007-08
Salary	90000	189000	56000	98800
TOTAL	90000	189000	56000	98800

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

- 4. Interest on Term Loan and cast **credit** account with **CBI** is not provided. In view of the pending court proceedings for non ascendent at one time settlement application of the company by the bank.
- 5. The company has not received intimation from the vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to their outstanding amount and interest has not been made.
- 6. The Company's operations mainly consists of only one segment ie., Drug formulations and therefore the figure relates to the segment.
- 7. Related Party Disclosure (as identified by the management) as per accounting standard 18 are given below : 1) Dr. Ghisulal Jain 2) Subhash Jain 3) M/s. Tejas Labs

NAME OF THE TRANSACTIONS RELATED TO THE PARTY	TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES	
	2008-2009	2007-2008
Purchases	176930	19868
Sales	170048	515484
Managerial Remuneration	146000	287800

8s. Deferred Tax :

Deferred Tax has been provided in accordance with the accounting standard 22 issued by the Institute of Chartered Accountants of India.

	2008-09	2007-08
Difference in Depreciation-DTL	1704822	1833718
Others-DTA	3090	23034
Deferred Tax Liability	1701732	1810684

9. Earning per share :

i. Amount used as the numerator Profit after tax	1095002	1907891
ii. Basic/Weighted average		
No. of equity shares used at the denominator	34055000	34055000
iii. Nominal value of equity shares	10	10
iv. Paid up value	33514250	33514250
v. Basic/Diluted EPS	(0.31)	(0.54)

10. Additional information pursuant to paragraph 3,4,6 and 4 of part of Schedule - VI of the Companies Act, 1956.

	UNITS	2008)9	2007-08
a. Licensed Capacity	NA	NA	NA
b. Installed Capacity	72	72	72
Ayurvedic formulation			
Capsules (in lacs)	72	72.00	72.00
Allopathic formulation			
Tablets (in lacs)	4680.00	4680.00	4680.00
Capsules (in lacs)	360.00	360.00	360.00
Syrup (in ltrs)	8640.00	8640.00	8640.00

c. Actual production, Turnover, Opening Stock & Closing Stock of Finished Goods

A ALLOPATHIC

SN	PRODUCT	UNIT	OPENING STOCK		PURCHASES		SALES		CLOSING SOCK	
			QTY	VALUE	Qty	VALUE	QTY	VALUE	QTY	VALUE
01	Tablets	Lacs	2214	824660	8569	2851517	9689	3792343	1094	348027
02	Capsules	Lacs	334	195037					334	195037
	Total									545064

B. AYURVEDIC

SN	PRODUCT	UNIT	OPENING STOCK		Manufacturing		SALES		CLOSING SOCK	
			QTY	VALUE	Qty	QTY	VALUE	QTY	VALUE	
01	Ayurvedic	NO			17339	17339	202708			

d. Details of consumption of Raw materials and Packing materials

DESCRIPTION	UNIT	31.03. 2009		31.03.2008	
		QTY	VALUE	QTY	VALUE
RAWMATERIALS					
Ayurvedic	Kg	170	291830	120.05	37159

11. The previous figures have been **regrouped/rearranged** wherever considered necessary.

CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2008

	2008-09	2007-08
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(12.10)	(22.42)
Adjustment for		
Depreciation	8.05	9.66
Financial Charges	-	-
Interest Income	(-2.29)	4.50
Adjustments for		
Inventory	9.08	17.32
Debtors	(-2.27)	9.10
Loans & Advances	5.03	(12.56)
Current Liabilities & Provisions	(3.78)	(0.58)
Less: Tax paid	(-0.10)	0.00
CASH FLOW FROM INVESTING ACTIVITIES		
Increase / Decrease of fixed Assets	0.00	0.01
Interest Income	2.29	4.50
CASH FLOW FROM FINANCIAL ACTIVITIES		
Increase in Share capital	0	3.88
Secured Loans taken	(-5.00)	-
Unsecured Loans taken	0	(-0.56)
Financial charges	0	-
Cash outflow during the year	(-1.02)	3.85
Cash and Equivalent at the beginning of the year	7.23	3.38
Cash and equivalent at the end of the year	6.21	7.23

As per our report of even date
For **LAKSHMINIWAS & JAIN**

Sd/-
(SURESH KUMAR JAIN)
PARTNER
Membership No:018465

Place : Hyderabad
Date : 01-09-2009

On behalf of the Board
For **PHARMAIDS PHARMACEUTICALS LTD.,**

Sd/-
(DR.GHISULAL JAIN)
CHAIRMAN & MANAGING DIRECTOR
Sd/-
(HASMUKHJAIN)
(DIRECTOR)

BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details		State Code	01
Registration No.	19671		
Balance Sheet Date	31.03.2009		
Capital raised during the year (amount in Rs. Thousands)			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Issue	NIL
Position of mobilization and deployment of funds (amount in Rs. Thousands)			
Total Liabilities	46371	Total Assets	46371
SOURCES OF FUNDS			
Paid up Capital	33514	Reserves & Surplus	994
Secured Loans	7745	Un-secured Loans	2416
		Deferred Tax Liabilities	1702
APPLICATION OF FUNDS			
Net Fixed Assets	9888	Investments	
Net Current Assets	25087	Profit and Loss account	11396

P10 Generic Names of three principal products/ services of the company (as per monetary terms)

Item Code No: (ITC CODE)	300410.04	Product Description :	Cold CC
Item Code No: (ITC CODE)	300410.03	Product Description :	Dicloplus
Item Code No: (ITC CODE)	293500.01	Product Description :	Nimis

For **PHARMAIDS PHARMACETICALS LTD.,**
(DR.GHISULAL JAIN)

Chairman cum Managing Director

Sd/-
(HASMUKH JAIN)

Director

Place : Hyderabad

Date : 01.09.2009

ABBREVIATIONS

CMD	Chairman & Managing Director
ED	Executive Director
BSE	Bombay Stock Exchange
HSE	Hyderabad Stock Exchange
NSDL	National Securities and Depository Ltd.,
CDSL	Central Depository and Securities Ltd.,

PHARMAIDS PHARMACEUTICALS LIMITED

Reg. Off: 4-4-211/212/3, 1st Floor, Inderbagh, Sulthan Bazar, Hyderabad – 500 095

ATTENDANCE SLIP

Regd. Folio No:

No. of Shares Held :

Name of the Shareholder _____

Name of the Proxy _____

I hereby record my presence at the Twentieth Annual General Meeting of the Company held on 30-9-2009 from 10.30 am at Andhra Pradesh Chemists & Druggists Association, 5-9-262/1, King Koti, Hyderabad.

Signature of the member / Proxy _____

NOTE: This form should be signed and handed **over at** the meeting venue. No duplicate attendance slip will be issued at the meeting hall. You are requested to bring your copy of the Annual Report to the meeting.

PHARMAIDS PHARMACEUTICALS LIMITED

Reg. Off: 4-4-211/212/3, 1st Floor, Inderbagh, Sulthan Bazar, Hyderabad – 500 095

PROXY FORM

Regd. Folio No:

No. of Shares Held:

I/ We _____ of _____

Being a member / members of **M/s. Pharmaids Pharmaceuticals** Limited hereby appoint _____ as my / our proxy to vote for **me/** us on by our behalf of at the Twentieth Annual General Meeting of Company to be held 30-9-2009 from 10.30 am at Andhra Pradesh Chemists & Druggists Association, 5-9-262/1, King Koti, **Hyderabad.**

Signature :

Affixe Rs.1/-
Revenue Stamp

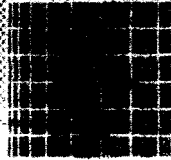
Date

NOTE: The proxy duly completed must be deposited at the Register Office of the Company not less than 48 hours before the time of holding the meeting. A proxy need not be a member.

PLEASE NOTE THAT NO GIFTS WILL BE GIVEN AT THE TIME OF AGM

PAIN MANAGEMENT

Diclofenac Plus
Tabs



Safest

Diclo plus[®]
Tabs



Fastest

Nimis
Tabs



Smallest

They are different but
TARGETED Smart in Pain Management

BOOK - POST

If undelivered please return to
THE PHARMAIDS PHARMACEUTICALS LIMITED
REGD. OFF: 4-4-211/212/3, 1st Floor,
Inderbagh, Sulthan Bazar,
Hyderabad -500 095.

