

Date: 30.09.2016

To,

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)

BSE Limited
P. J. Towers, Dalal Street
Mumbai - 400 001

Dear Sir/ Madam,

Sub: 21st Annual General Meeting (AGM) and Voting Results:-
Ref: Scrip Code: 590094

With reference to the subject cited, this is to inform the Exchange that at the 21st Annual General Meeting of M/s. Farmax India Limited held on 30.09.2016 at 9.00 A.M. at Survey No. 658, Bowrampet (V), Quthbullapur Mandal, (Sub - Urban Of Hyderabad) R. R Dist, and Telangana.

In this regard, Please find enclosed the following-

1. Summary of proceedings as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – I**
2. Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – II.**
3. Report of Scrutinizer dated September 30, 2016, Pursuant to Section 108 and 109 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014. **Annexure – II.**
4. Annual Report for the financial year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

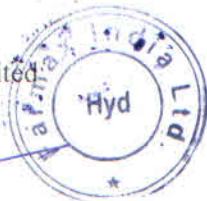
The Voting Results of the 21st Annual General Meeting ('AGM') is available on the company's website: www.farmax.co.in.com

This is for the kind information and records of the Exchange, please.

Thanking you.

Yours faithfully,
For Farmax Limited

Vara Prasad
C.F.O



Farmax India Limited

CIN - L27109TG1995PLC022190

S.No.658, Bowrampet (V), Quthbullapur (M), Rangareddy Dist, 500043, TS, India.
Phone No: 08418-242207, e-mail : info@farmax.co.in, www.farmax.co.in

21st Annual Report 2015-2016



Farmax India Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. M. Srinivasa Reddy	-	Managing Director (DIN: 00882956)
Mrs. P. Priyanka	-	Independent Director (DIN: 02925766)
Mr. A.V.Rama Raju	-	Independent Director (DIN: 01408193)
Mr. E. Sudheer Reddy	-	Independent Director (DIN: 06402499)

KEY MANAGERIAL PERSONS

Mr. Ch.Vara Prasad	-	Chief Finance Officer
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REGISTERED OFFICE

Farmax India Limited
Survey No.658, Bowrampet Village,
Quthbullapur Mandal,
(Sub Urban of Hyderabad) R R Dist.,
Telangana -500043.

STATUTORY AUDITORS

Vijay Sai Kumar & Associates,
Chartered Accountants
210/3RT, Vijaynagar Colony,
Hyderabad – 500 057

INTERNAL AUDITOR

Mr.Kushinder
Survey No.658, Bowrampet Village,
Quthbullapur Mandal,
(Sub Urban of Hyderabad) R R Dist.,
Telangana – 500043.

SECRETARIAL AUDITOR

M/s. S. S. Reddy & Associates
Practicing Company Secretaries
Plot No.6-3-354/13, A1,
Suryateja Apartments,
Hindi Nagar, Panjagutta,
Hyderabad-500034

CORPORATE IDENTITY NUMBER

L27109TG1995PLC022190

AUDIT COMMITTEE

- | | | |
|------------------------|---|----------|
| 1. Mr. A.V.Rama Raju | - | Chairman |
| 2. Mrs. P.Priyanka | - | Member |
| 3. Mr. E.Sudheer Reddy | - | Member |

NOMINATION & REMUNERATION COMMITTEE

- | | | |
|------------------------|---|----------|
| 1. Mr. A.V.Rama Raju | - | Chairman |
| 2. Mrs. P.Priyanka | - | Member |
| 3. Mr. E.Sudheer Reddy | - | Member |

STAKEHOLDERS RELATIONSHIP COMMITTEE

- | | | |
|------------------------|---|-------------|
| 1. Mrs. P.Priyanka | - | Chairperson |
| 2. Mr. A.V.Rama Raju | - | Member |
| 3. Mr. E.Sudheer Reddy | - | Member |

RISK MANAGEMENT COMMITTEE:

- | | | |
|------------------------|---|----------|
| 1. Mr. A.V.Rama Raju | - | Chairman |
| 2. Mr. Srinivasa Reddy | - | Member |
| 3. Mrs. P.Priyanka | - | Member |
| 4. Mr. E.Sudheer Reddy | - | Member |

REGISTRAR & SHARE TRANSFER AGENTS

BigshareServicesPvt.Ltd.
 306,RightWing,AmruthaVille,
 Opp.YasodhaHospital, Somajiguda,
 Raj Bhavan Road, Hyderabad - 500 082.
 Telangana
www.bigshareonline.com
 E-mail: info@bigshareonline.com

LISTED AT :

BSE Limited
 NSE Limited

DEMAT ISIN NUMBER IN NSDL& CDSL:

INE890101035

WEBSITE

www.farmax.co.in

INVESTOR E-MAIL ID

cs@farmax.co.in

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Shareholders of M/s. Farmax India Limited will be held on Friday, the 30th day of September 2016 at 09.00 a.m at the registered office of the company at Survey No. 658, Bowrampet (V), Quthbullapur Mandal, (Sub- Urban Of Hyderabad) R. R Dist, and Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. M. Srinivasa Reddy (holding DIN: 00882956), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Vijay Sai Kumar & Associates., Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board.

**For and on behalf of the Board
Farmax India Limited**

**Place: Hyderabad
Date: 29.08.2016**

**Sd/-
M. Srinivasa Reddy
Managing Director
(DIN: 00882956)**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2016 to 30.09.2016 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (**M/s Big share Services Pvt.Ltd,**)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s Big share Services Pvt.Ltd,** Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. 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.

14. Electronic copy of the Annual Report for 2015-2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-2016 is being sent in the permitted mode.
15. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website www.farmax.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@farmax.co.in

16. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Pursuant to Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The remote e-voting period will commence on Tuesday, 27th September 2016 at 9.00 a.m. on and will end on Thursday, 29th September, 2016. The facility for voting through ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. S. Sarveswar Reddy, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

Procedure for remote e-voting

I. the Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

(a) In case of Members receiving an e-mail from Karvy:

(i) Launch an internet browser and open <https://evoting.karvy.com>

(ii) Enter the login credentials (i.e. User ID and password). The Event No. Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e- voting, you can use your existing User ID and password for casting your vote.

(iii) After entering the above details click on - Login.

(iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.

(v) On successful login, the system will prompt you to select the E-Voting Event

(vi) Select the EVENT of Farmax India Limited and click on - Submit.

(vii) Now you are ready for e-voting as 'Cast Vote' page opens.

(viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

(ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(x) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by an e-mail at

cs@farmax.co.in They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."

- (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip.
(I) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
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- (ii) Please follow all steps from Sr. No. (i) To Sr. No. (xi) Above, to cast vote.

II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.

III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.

IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 23rd September, 2016. Members are eligible to cast vote electronically only if they are holding shares as on that date.

V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. th Accordingly, the voting period shall commence at Tuesday, 27 September 2016 at 9.00 a.m and will end at th 5.00 p.m. on Tuesday, 29 September, 2016. TheE-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.

VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

VII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

VIII. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.

a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD Event number Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD IN12345612345678

Example for CDSL: MYEPWD 1402345612345678

Example for Physical: MYEPWD XXX1234567

b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. Member may call Karvy's toll free number 1-800-3454-001

d. Member may send an e-mail request to evoting@karvy.com

VI. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at th the 20 Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by M/s Karvy Computershare Private Limited.

17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.09.2016.

18. Mr. S.Sarveswara Reddy, Practicing Company Secretary, bearing C.P. Number 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process.

19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

20. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.farmax.co.in and on the website of <https://evoting.karvy.com> within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange limited.

**For and on behalf of the Board
Farmax India Limited**

**Place: Hyderabad
Date: 29.08.2016**

**Sd/-
M. Srinivasa Reddy
Managing Director
(DIN: 00882956)**

DIRECTOR'S REPORT

To the Members,

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016. The Company's performance is summarized below:

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2016 has been as under:

Particulars	2015-2016	2014-2015
Total Income	1669.73	2282.97
Expenditure	2647.86	2493.08
Profit before exceptional items and Tax	(978.13)	(210.11)
Exceptional Item	0	0
Profit/(Loss) Before Tax	(978.13)	(210.11)
Less: Extra Ordinary Items	0	0
Less: Deferred Tax	0	0
Less: Provision of MAT	0	0
Net Profit/ (loss) after Tax	(978.13)	(210.11)
Balance Carried to Balance Sheet	(978.13)	(210.11)

REVIEW OF OPERATIONS:

During the year under review, the Company has recorded an income of Rs. 1669.73 Lakhs and Loss of Rs. 978.13 Lakhs as against the income of Rs. 2282.97 Lakhs and Loss of Rs. 210.11 Lakhs in the previous financial year ending 31.03.2015.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

TRANSFER TO RESERVES:

Directors have decided not to transfer any amount to reserves for the year.

DIVIDEND:

Keeping the Company's revival plans in mind, your Directors have decided not to recommend dividend for the year.

REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review.

DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The details of transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in detail somewhere else in the report (if applicable) and forms part of this Report.

DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:

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

DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS, COURTS, TRIBUNALS, IMPACTING THE GOING CONCERN BASIS OF THE COMPANY:

- There were no significant material orders passed by regulators, courts, tribunals, impacting the going concern basis of the Company.
- During the year the income tax Appellate, tribunal, Hyderabad has passed the order in favour of the company pertaining to FY 2008-2009 AY 2009-2010.

CORPORATE GOVERNANCE:

A Separate section titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management discussion and analysis report for the year under review as stipulated under Regulation 4(3) read with schedule V, Part B of SEBI(Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is presented in a separate section forming part of the annual report.

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report.

APPOINTMENT OF DIRECTORS / CEO / CFO AND KEY MANAGERIAL PERSONNEL:

During the year no Director/CEO/CFO and Key Managerial Personnel appointed.

AUTHORISED AND PAID UP CAPITAL OF THE COMPANY:

The authorized capital of the company stands at 60,00,00,000 /- divided into 60,00,00,000 equity shares of Rs.1/- each and The company's paid up capital at 53,41,71,427 divided into 53,41,71,427 equity shares of ` 1/- each.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Mr. A.V.Rama Raju, Mrs. Priyanka and Mr.E.Sudheer Reddy, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (7) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Annexure - II

DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had 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 and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:

The Company has one subsidiary company in the name and style as Farmax International FZE. There were no operations in the FZE for the financial year 2015-2016 The company in its recently concluded Board Meeting on 13-08-2016 decided to close the subsidiary Farmax International FZE.

STATUTORY AUDITORS:

M/s. Vijay Sai Kumar & Associates, Statutory Auditors of the company retires at the ensuing annual general meeting and is eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. Vijay Sai Kumar & Associates., as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

INTERNAL AUDITOR:

Mr.Kushinder is the Internal Auditors of the company for the F.Y 2015-16.

SECRETARIAL AUDITOR:

The Board had appointed M/s. S.S.Reddy & Associates, Practicing Company Secretaries, Hyderabad, having CP No.7478 to conduct Secretarial Audit for the financial year 2015-16, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR – 3 for the financial year 2015- 16 is enclosed herewith as Annexure-I to this Report. The Secretarial Audit Report does not contain any observation or adverse remark.

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. S. S. Reddy & Associates, Practicing Company Secretaries is annexed to this Report as annexure-I.

AUDIT REPORTS:**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2016 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and there are no qualifications in the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

A. Conservation of Energy:

The Company's has been adopting Various Measures to conserve Energy

B. Technology Absorption:

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: Rs. NIL

Foreign Exchange Outgo: Rs. NIL

CORPORATE SOCIAL RESPONSIBILITY POLICY:

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

SECRETARIAL STANDARDS

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

INSURANCE: NA**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans or Guarantees during the year under review.

CREDIT & GUARANTEE FACILITIES:

The Company has a Credit facility with SBI Bank to an extent of Rs. 32.86 Cores .However the same has become NPA.

DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal control systems, which commensurate with its size, nature of business and complexity of its operations and are designed to provide a reasonable degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguard for assets, internal control over financial reporting, and compliance with applicable laws and regulations. Internal audit function evaluates the adequacy of and compliance with policies, plans, regulatory and statutory requirements.

The Internal Auditors directly report to the Board's Audit Committee, thus ensuring the independence of the process. It also evaluates and suggests improvement in effectiveness of risk management, controls and governance process. The Audit committee and Board provides necessary oversight and directions to the Internal audit function and periodically reviews the findings and ensures corrective measures are taken.

RISK MANAGEMENT POLICY:

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure III to the Board's report.

DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable for the financial year 2015-16.

RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, the ratio of remuneration to maiden employees is 3.49:1. times in case of Mr.M. Srinivasa Reddy.

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

INDUSTRIAL RELATIONS:

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs. Various measures were taken to improve motivation level of employees.

HEALTH & SAFETY:

The Company provides a safe and healthy workplace for its employees by establishing the right safety culture across the organisation. The senior leadership is fully committed to the ultimate goal of zero injury to its employees and all stakeholders who are associated with the Company's operations. Emphasis is laid on creating a participatory safety governance model.

ENVIRONMENT AND POLLUTION CONTROL:

The Company is well aware of its responsibility towards a better and clean environment. Our efforts in environment management go well beyond mere compliance with statutory requirements. The Company has always maintained harmony with nature by adopting eco-friendly technologies and upgrading the same from time to time incidental to its growth programs.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Anti-Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any.

The Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**For and on behalf of the Board
Farmax India Limited**

**Place: Hyderabad
Date: 29.08.2016**

**Sd/-
A.V.Rama Raju
Independent Director
(DIN: 01408193)**

**Sd/-
M. Srinivasa Reddy
Managing Director
(DIN: 00882956)**

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY:

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company.

Certificate of Code of Conduct for the year 2015-16 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Farmax India Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2015-16.

**For and on behalf of the Board
Farmax India Limited**

**Place: Hyderabad
Date: 29.08.2016**

**Sd/-
M. Srinivasa Reddy
Managing Director
(DIN: 00882956)**

CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Farmax India Limited as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

2. BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, www.farmax.co.in.

3. BOARD EVALUATION:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the *corporate governance report*. The Board approved the evaluation results as collated by the nomination and remuneration committee.

4. LISTING AGREEMENT:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, The Company entered into fresh Listing Agreement with BSE Limited during 2015.

5. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. www.farmax.co.in

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Sexual Harrassment Policy
- Related Party Policy
- Code of Conduct for Board of Directors and Senior Management Personnel

6. FARMAX ' CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website www.farmax.co.in

7. BOARD OF DIRECTORS

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of the company.

As trustees, the Board has a fiduciary responsibility towards all the shareholders and ensures that the company has clear goals aligned to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils all stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, also periodically reviews its role.

8. COMPOSITION OF THE BOARD:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2016, the Company's Board comprises of four Directors in that there are one promoter Director and three independent Directors on the Board. In terms of clause 17(1) (b) of SEBI (LODR) Regulations, 2015, the company is required to have one half of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

9. NUMBER OF BOARD MEETINGS:

The Board of Directors met five (6) times during the financial year, on 28-05-2015, 14-08-2015, 29-08-2015, 14-11-2015, 11-02-2016, 24-02-2016. The maximum time gap between any two meetings was less than four months. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

10. ATTENDANCE AND DIRECTORSHIPS HELD:

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, and then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in **Table 1**.

Table-1								
Name of Director	Relationship with other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorships of Public Companies	No. of Committee Memberships	No. of Committee Chairmans hips
Mr. M. Srinivasa Reddy	NIL	P & E D	6	6	Yes	NIL	1	NIL
Mrs. P.Priyanka	NIL	ID & NED	6	6	yes	1	8	2
Mr.A.V. Rama Raju	NIL	ID & NED	6	6	No	NIL	5	4
Mr. E.SudheerR eddy	NIL	ID& NED	6	6	Yes	NIL	5	NIL

11. INFORMATION SUPPLIED TO THE BOARD:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CFO is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.

- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including Clause 49 of the Listing Agreement with Stock Exchanges.

12. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarise with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Details of the same are available on www.farmax.co.in

13. DIRECTOR RETIRING BY ROTATION:

As per law, two-thirds of non-executive and non independent Directors should retire by rotation. One third of these Directors are required to retire every year and if eligible, offer them for reappointment. Mr.M.Srinivasa Reddy would retire in upcoming AGM and being eligible, has offered himself for re-appointment.

14. COMMITTEES OF THE BOARD:

The Company has five Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

AUDIT COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:

- a. Any changes in accounting policies and practices;
- b. Qualification in draft audit report;
- c. Significant adjustments arising out of audit;
- d. The going concern concept;
- e. Compliance with accounting standards;
- f. Compliance with stock exchange and legal requirements concerning financial statements and
- g. Any related party transactions

- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

B. COMPOSITION, MEETINGS & ATTENDANCE:

There were four (4) Audit Committee Meetings held during the year on 28.05.2015, 14.08.2015, 14.11.2015 and 11.02.2016.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. A.V.Rama Raju	Chairman	NED(I)	4	4
Mrs. P.Priyanka	Member	NED(I)	4	4
Mr. E.Sudheer Reddy	Member	NED(I)	4	4

NED (I) : Non Executive Independent Director

NOMINATION AND REMUNERATION COMMITTEE:

The Committee comprises of three non-executive independent Directors

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. A.V.Rama Raju	Chairman	NED(I)	2	2
Mrs.P.Priyanka	Member	NED(I)	2	2
Mr. E.Sudheer Reddy	Member	NED(I)	2	2

2NED (I) : Non Executive Independent Director

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

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

Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

2.1 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3. Criteria of independence

- 3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- 3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 The independent Director shall abide by the “code for independent Directors “as specified in Schedule IV to the companies Act, 2013.

4. Other directorships/ committee memberships

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

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

STAKEHOLDER’S RELATIONSHIP COMMITTEE

- i. The stakeholders’ relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- ii. The broad terms of reference of the stakeholders’ relationship committee are as under:
- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
 - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
 - The composition of the stakeholders’ relationship committee and the details of meetings attended by its members are given below:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mrs. P.Priyanka	Chairman	NED(I)	2	2
Mr. A.V.Rama Raju	Member	NED(I)	2	2
Mr.E.Sudheer Reddy	Member	NED(I)	2	2

NED (I) : Non Executive Independent Director

ED: Executive Director

DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2015-16

NUMBER OF COMPLAINTS	NUMBER
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on	1
Number of complaints resolved	1
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2016	NIL
Complaints pending as on March 31, 2016	NIL
Number of Share transfers pending for approval, as on March 31, 2016	NIL

REMUNERATION OF DIRECTORS:

A. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY: The Non- Executive Directors have no pecuniary relationship or transactions.

B. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:**Policy:****1. Remuneration to Executive Director and key managerial personnel**

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

2. Remuneration to Non – Executive Directors

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

3. Remuneration to other employees

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

C. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2015-16 AND OTHER DISCLOSURES

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr.M.Srinivasa Reddy	25,00,000	NIL	10,10,25,000	NA	NA	25,00,000	NIL
Mr.A.V.Rama Raju	NIL	NIL	8,00,000	NA	NA	NIL	NIL
Mrs. P.Priyanka	NIL	NIL	NIL	NA	NA	NIL	NIL
Mr. Sudheer Reddy	NIL	NIL	NIL	NA	NA	NIL	NIL

15. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 24.02.2016, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website ([www.farmax.co.in/Investor Relations](http://www.farmax.co.in/InvestorRelations))

16. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

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

2. Terms and References:

- 2.1 “Director” means a director appointed to the Board of a Company.
- 2.2 “Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 2.3 “Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

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

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 “Director” means a director appointed to the Board of the company.
- 2.2 “key managerial personnel” means
- (i) The Chief Executive Office or the managing director or the manager;
 - (ii) The company secretary;
 - (iii) The whole-time director;
 - (iv) The chief finance Officer; and
 - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 “Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

17. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder and regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the company had a meeting on 24/02/2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

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

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 1 non-independent director namely:

- i.) Mr. M. Srinivasa Reddy –Managing Director

The meeting recognized the significant contribution made by Mr. M. Srinivasa Reddy.

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

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

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

18. RISK MANAGEMENT COMMITTEE

A.) COMPOSITION:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. A.V.Rama Raju	Chairperson	NED(I)
Mr. M. Srinivas Reddy	Member	ED
Mrs.Priyanka Palacharla	Member	NED(I)
Mr.E.Sudheer Reddy	Member	NED(I)

NED (I) : Non Executive Independent Director

ED : Executive Director

ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

- Framing of Risk Management Plan and Policy.
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

19. DETAILS ON GENERAL BODY MEETINGS:**A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:**

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2014-15	30.09.2015	09.00 A.M	Survey No. 658, Bowrampet Village, Quthbullapur Mandal, (Sub- Urban of Hyderabad) Ranga Reddy Dist.Telangana - 500043	<p><u>ORDINARY:</u></p> <p>1.To Receive ,consider and Adopt the Balance sheet as at31-march 2015</p> <p>2. To appoint a Director in place of Mr.srinivasa Reddy Morthala (DIN: 00882956) who retires by rotation and being eligible, offers himself for re-appointment.</p> <p>3.To ratify the appointment of M/s. Vijay Sai Kumar & Associates Chartered Accountants, Hyderabad, as statutory Auditors and to fix their remuneration.</p> <p><u>SPECIAL:</u></p> <p>1.To Appointment Mr. A.V.Rama Raju as Independent Director of the company.</p> <p>2. Amendment of the Articles of Association of the company.</p>
2013-14	30.09.2014	10.30 A.M	Survey No. 658, Bowrampet Village, Quthbullapur Mandal, (Sub- Urban of Hyderabad) Ranga Reddy Dist.Telangana - 500043	<p><u>ORDINARY:</u></p> <p>1. To receive, consider and adopt the Directors' Report, the Audited Profit & Loss Account, the Balance Sheet and Cash Flow Statement as on 31st March, 2014.</p> <p>2. To appoint a Director in place of Mr. Omkareswar Gangaboina (DIN: 02684705) who retires by rotation and being eligible, seeks re-appointment as non-retiring Independent Director for a period of 5 (five) years.</p> <p>3. To appoint M/s. Vijay Sai Kumar & Associates as Statutory Auditors,</p>

				<p>Hyderabad, bearing Firm Registration No. 004694S to hold office from the conclusion of this Annual General Meeting until the conclusion of the 24th Annual General Meeting of the Company.</p> <p><u>SPECIAL:</u></p> <p>4. To appoint Smt. Priyanka Palacarla (DIN: 02925766) as a Independent Director.</p> <p>5. To appoint Mr. Sudheer Reddy Endreddy (DIN: 06402499) as a Independent .</p>
2012-13	29.07.2013	11.30 A.M	Survey No. 658, Bowrampet Village, Quthbullapur Mandal, (Sub- Urban of Hyderabad) Ranga Reddy Dist.Telangana - 500043	<p><u>ORDINARY:</u></p> <p>1. To receive, consider and adopt the Directors' Report, the Audited Profit & Loss Account, the Balance Sheet and Cash Flow Statement as on 31st March, 2013.</p> <p>2. To appoint a Director in place of Mr. Alluri Vijaya Rama Raju who retires by rotation and being eligible, offers himself for re-appointment.</p> <p>3. To appoint M/s. Bhaskara Rao & Associates as Statutory Auditors, Hyderabad, bearing Firm Registration No. 006171S to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.</p> <p><u>SPECIAL:</u></p> <p>1. Re-appointment of M.Srinivasa Reddy</p>

20. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the financial year 2015-16.

21. MEANS OF COMMUNICATION

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchanges, as soon as the same are taken on record/approved.

In terms of the requirements of SEBI (Listing Obligations & Disclosures Requirements), the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate Filing and Dissemination System viz., on www.listing.bseindia.com, connect2nse.com The un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on www.bseindia.com, www.nseindia.com.

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts' Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at www.farmax.co.in

22. GENERAL SHAREHOLDER INFORMATION:

A. ANNUAL GENERAL MEETING:

The Twenty-First Annual General Meeting of the Company will be held as per the following schedule:

Day	Friday
Date	30 th September, 2016
Time	09.00 a.m
Venue	S.No.658, Bowrampet (V), Quthbullapur (M) (Sub- Urban of Hyderabad, R.R.Dist Telangana - 500043.

B. VENUE: FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2016-17 (TENTATIVE SCHEDULE)

The financial calendar (tentative) shall be as under:

Financial Year	2016-2017
First Quarterly Results	13.08.2016
Second Quarterly Results	14.11.2016
Third Quarterly Results	14.02.2017
Fourth Quarterly Results	29.05.2017
Annual General Meeting for year ending 31st March, 2017	30.09.2017

C. DIVIDEND PAYMENT DATE: No Dividend was declared during the Financial Year 2015-16.

D. NAME AND ADDRESS OF EACH STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:

EXCHANGE:

NSE LIMITED, Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E)
Mumbai - 400 051

BSE LIMITED, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

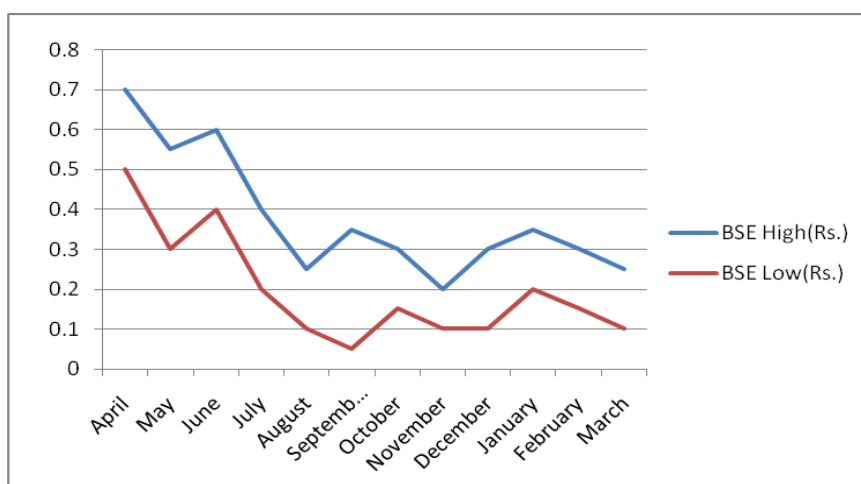
E. STOCK CODE:

**EXCHANGE: NSE Limited,
BSE Limited**

**SYMBOL: FARMAXIND
CODE: 590094**

F. STOCK MARKET PRICE DATA:

Months	BSE	
	High(Rs.)	Low(Rs.)
April	0.70	0.50
May	0.55	0.30
June	0.60	0.40
July	0.40	0.20
August	0.25	0.10
September	0.35	0.05
October	0.30	0.15
November	0.20	0.10
December	0.30	0.10
January	0.35	0.20
February	0.30	0.15
March	0.25	0.10

G. PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS NSE, BSE, SENSEX, etc.**H. REGISTRAR AND SHARE TRANSFER AGENTS:**

Big Share Services Pvt Limited
306, Right Wing, 3rd Floor, Amrutha Ville,
Opp. Yashoda Hospital Somajiguda,
Rajbhavan Road, Hyderabad – 500082
Telangana.

www.bigshareonline.com

E-mail: info@bigshareonline.com

I. SHARE TRANSFER SYSTEM:

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

J. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH , 2016:

HOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 – 5000	10158	78.27	10756164	2.01
5001 – 10000	997	7.68	8363362	1.56
10001 – 20000	649	5.00	10035366	1.87
20001 – 30000	275	2.11	7072127	1.32
30001 – 40000	117	0.90	4297410	0.80
40001 – 50000	186	1.43	8966268	1.67
50001 – 100000	287	2.21	23196332	4.34
100001 -500000	237	1.82	49987667	9.35
500001-1000000	30	0.23	21607001	4.04
1000001-5000000	29	0.22	61166233	11.45
5000001-10000000	5	0.03	36024668	6.74
10000001-9999999999	8	0.06	292698829	54.79

K. DEMATERIALISATION & LIQUIDITY OF SHARES:

Farmax India Limited shares are tradable compulsorily in the electronic form. Through Big share Services Pvt Ltd Private Limited, Registrars and Share Transfer Agent, we have established connectivity with both the depositories, that is, National Securities Depositories Limited (NSDL) NS Central Depository Services (India) Limited (CDSL) the International Securities Identification Number (ISIN) allotted to our shares under the Depository system is INE890I01035. As on March 31, 2016, 301050 of our shares were held in dematerialized form and the rest in physical form. Shares held in demat and Physical mode as on March 31, 2016 is as follows:

Particulars	No. of Shares	% Share Capital
NSDL	197207159	36.92
CDSL	336663188	63.02
PHYSICAL	301080	0.06
Total	534171427	100

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with respective depository participants.

L. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES: Nil

M. PLANT LOCATIONS:

The factory of the company is situated at Survey No 658, Bowrampet Village, Quthbullapur Mandal, Sub-Urban of Hyderabad, Hyderabad Dist., and Telangana - 500043.

N. ADDRESS FOR CORRESPONDANCE:

Mr .Vara Prasad

Address: S.No.658, Bowrampet (V), Quthbullapur (M)

Sub- Urban of Hyderabad,

R.R.Dist Telangana -500043.

O. BOOK CLOSURE DATE:

The date of Book Closure for the purpose of Annual General Meeting shall be from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive).

P. LISTING ON STOCK EXCHANGES:

The equity shares of the Company are listed on NSE Ltd & BSE Ltd.

Q. ELECTRONIC CONNECTIVITY:

Demat ISIN Number: **INE890I01035**

R. NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, A wing, 4th & 5th Floors, Kamala Mills Compound,
Lower Parel, Mumbai - 400 013.

S. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Regd. Office: 17th floor, P J Towers,
Dalal Street, Mumbai – 400001

T. SHAREHOLDING PATTERN AS ON 31ST MARCH,2016:

S. No	Category	No. of shares held	Percentage shareholding of
A	Shareholding of Promoter and Promoter group		
1.	Indian		
	Individual	115470249	21.62
	Body Corporate	86908300	16.27
2.	Foreign		
	Individual	0.00	0.00
	Sub-Total A	202378549	37.89
B	Public Shareholding		
1.	Institutions	-	-

2.	Non Institutions		
	a. Bodies Corporate	88729793	16.61
	a. Indian Public and others	231293604	43.30
	a. Other	11769481	2.20
	Sub Total B	0	00.00
	Grand Total (A+B)	534171427	100.00

23. OTHER DISCLOSURES

COMPLIANCES:

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

A. WHISTLE BLOWER POLICY:

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

B. WEB-LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED.

www.farmax.co.in

C. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website www.farmax.co.in The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

D. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:

Price and demand of the Company's finished products are inherently volatile and remain strongly influenced by global economic conditions. Any fluctuation in finished product prices or currency has direct impact on the Company's revenue and profits.

The Company considers exposure to commodity price fluctuations to be an integral part of our business and its usual policy is to sell its products at prevailing market prices. The Company has a well-defined policy framework.

E. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

F. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- The Board & Separate posts of Chairman and CEO: The positions of the Chairman and the CEO are separate of the company.
- **Shareholders' rights:** The quarterly results along with the press release are uploaded on the website of the Company www.farmax.co.in. The soft copy of the quarterly results is also sent to the shareholders who have registered their e-mail addresses.
- **Audit qualifications:** Company's financial statements are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

G. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company follows the guidelines of Accounting Standards referred to in section 133 of The Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014 together with early adoption of Accounting Standard (AS) 30 'Financial instruments: Recognition and Measurement' and the consequential limited revisions to certain Accounting Standards issued by the Institute of Chartered Accountants of India.

H. MISCELLANEOUS:

- **BANK DETAILS:** Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and Share Transfer Agent of the Company:
- Any change in their address/mandate/bank details etc.; and
- Particulars of the bank account in which they wish their dividend to be credited (in case the same has not been furnished earlier); and should include the following particulars namely, Bank Name, Branch Name, Account Type, Account Number and MICR Code (9 digits).

- **PERMANENT ACCOUNT NUMBER:**

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the 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.

- **NOMINATION FACILITY:**

- Shareholders holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the Company may submit requisite Form as per the provisions of the Companies Act, 2013, to the Company's Registrar and Share Transfer Agent.

**For and on behalf of the Board
Farmax India Limited**

**Place: Hyderabad
Date: 29.08.2016**

**Sd/-
A.V.Rama Raju
Independent Director
(DIN: 01408193)**

**Sd/-
M. Srinivasa Reddy
Managing Director
(DIN: 00882956)**

CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY

To
The Board of Directors
Farmax India Limited

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2016 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, 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 the operation of internal controls, if any, of which we were aware and the steps That we have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**For and on behalf of the Board
Farmax India Limited**

**Place: Hyderabad
Date: 29.08.2016**

**Sd/-
Vara Prasad
C.F.O**

**Sd/-
M. Srinivasa Reddy
Managing Director
(DIN: 00882956)**

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
Farmax India Limited

We have examined the compliance of conditions of corporate governance by **FARMAX INDIA LIMITED** ('the Company') for the year ended 31 March, 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with NSE Limited & BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the above mentioned Listing agreement.

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

For Vijay Sai Kumar & Associates
Chartered Accountants
FRN: 004694S

Place: Hyderabad
Date: 29.08.2016

Sd/-
B.Vijay Sai Kumar
Partner
Mem.No.027813

ANNEXURE I**FORM MR-3****SECRETARIAL AUDIT REPORT**

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To
The Members of
M/s. Farmax India Limited

We have conducted the audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Farmax India Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2015 and ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Farmax India Limited ("The Company") for the financial year ended on 31st March, 2016, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
 - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act');
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year 2015-16.
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable, except yearly and event based disclosures.**
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**

- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
 - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
 - v. 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; **Not Applicable**.
 - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**.
 - vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**.
 - viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading regulations; The Company has framed code of conduct for regulating & reporting trading by Insiders and for fair disclosure, 2015 and displayed the same on company's Website i. e; www.farmaxindia.co.in and all required disclosures from time to time as and when applicable are complied with.
 - ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
 - The Company has signed Uniform listing agreement with the Stock Exchanges;
3. During the year the Company has conducted 6 Board Meetings, 4 Audit Committee Meetings and 1 Independent Directors Meeting and We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company secretaries of India on meeting of the Board of Directors and General Meetings and
 - ii. The Listing Agreements (till November 30, 2015) entered by the company with Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (from December 1, 2015 to March 2016);
4. We further report that the Compliance by the Company of applicable financial laws, like Direct and Indirect tax laws, has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
5. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;
6. The Company since engaged in the manufacture of FMCG is subjected to compliance of
- The Labour laws
 - The Contract Labour (Regulation & Abolition) Act, 1970
 - Food Safety and Standards Act, 2006
 - The Environment (Protection) Act, 1986
 - The Water (Prevention & Control of Pollution) Act, 1974
 - The Air (Prevention & Control of Pollution) Act, 1981

and accordingly obtained licenses from State Pollution Control Board, Registering Officer & Deputy Commissioner of Labour under the Contract Labour (Regulation & Abolition) Act, 1970, Food Safety Designated Officer for carrying on operations and also filed necessary returns within the time period.

OBSERVATIONS:

(a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

(i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(v) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

(b) We further report that:

- i. The company has a CFO namely Mr. Vara Prasad.
- ii. The Company has not appointed a Company Secretary.

We 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 of board meeting is given to all the directors along with agenda 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 meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, 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.
- We further report that during the year under report, the Company has not undertaken
- Event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For S.S. Reddy & Associates

**Place: Hyderabad
Date: 29.08.2016**

**S/d-
S. Sarveswara Reddy
Proprietor
C.P.No: 7478
M.No. A12611**

Annexure A

To
The Members of
M/s. Farmax India Limited

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S.S. Reddy & Associates

Place: Hyderabad
Date: 29.08.2016

S/d-
S. Sarveswara Reddy
Proprietor
C.P.No: 7478
M.No. A12611

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L27109TG1995PLC022190
ii.	Registration Date	08/11/1995
iii.	Name of the Company	FARMAX INDIA LIMITED
iv.	Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company
v.	Address of the Registered office and contact details	Survey No. 658, Bowrampet (V), Quthbullapur Mandal, Sub-Urban Of Hyderabad, Hyderabad. Telangana – 500043.
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Big share services Pvt Limited, 306, Right Wings, 3rd Floor, Amrutha Ville, Opp.Yashoda Hospital Somajiguda, Rajbhavan Road, Hyderabad-500082, Telangana. www.bigshareonline.com E-Mail:info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	VERMICELLI	9961	67.25%
2.	ATTA	9961	21.77%

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

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1	Farmax International FZE	NA	Subsidiary	100%	2(87)(ii)

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

i) *Category-wise Share Holding*:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	115470249	--	115470249	21.61	115470249	--	115470249	21.61	0

Central Govt	--	--	--	--	--	--	--	--	--
State Govt (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	36908300	50000000	86908300	16.26	86908300	--	86908300	16.26	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	15237854 9	50000000	20237854 9	37.88	20237854 9	--	20237854 9	37.88	0
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	15237854 9	50000000	20237854 9	37.88	20237854 9	--	20237854 9	37.88	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	4638745	--	4638745	1.06	4478745	--	4478745	0.83	0.23
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	33991410	54442856	88434266	16.56	88729793	--	88729793	16.61	0.05
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--

i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	--	--	---	---	85699293	301080	86000373	16.10	0
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	--	--	--	--	145293231	--	145293231	21.20	--
c) Others (specify)									
1. NRI	1742248	0	1742248	0.32	4033148	--	4033148	0.75	0.43
trust	1700	0	1700	0.00	11700	--	11700	0.00	--
Clearing member	6161352	0	6161352	1.15	3245888	--	3245888	0.60	0.55
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	255620371	76172507	331792878	62.11	331491718	301080	331792878	62.11	0
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	40799820	126172507	534171427	100	533870347	301080	534171427	100	0

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1.	M.Srinivasa Reddy	10102500	0	10102500	18.91	10102500	--	10102500	18.91	0
2.	M.Mallareddy	14445249	0	14445249	2.70	14445249	--	14445249	2.70	0

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	M. Srinivasa Reddy				
	At the beginning of the year	101025000	18.91	101025000	18.91
Date wise Increase /Decrease in promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc)					
	At the End of the year	--	--	--	--

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	A C FOODS AND TRADING PVT LTD	25871428	4.84	25871428	4.84
2	C N FOODS PRIVATE LIMITED	21428571	4.01	21428571	4.01
3	TRIDIVA FOODS & DISTRIBUTORS PRIVATE LIMITED	14000000	3.42	17500000	3.27
4	ANANTHA REDDY BADDAM	14285714	2.67	14285714	2.67
5	NIDJELLI RAJARAJESWARAMMA	0	0	11234567	2.10
6	CHARANJIT SINGH ARORA	8600296	1.61	8600296	1.61
7	SANJEEV GORWARA	7633663	1.42	8128658	1.52
8	SAKALESWARA REDDY	7142857	1.33	7142857	1.33
9	SNRFILMS INDIA PVT LTD	7142857	1.33	7142857	1.33
10	G.GOPALA KRISHNA REDDY	0	0	5010000	0.93
Date wise Increase /Decrease in Top ten Share Holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer /bonus/ sweat equity etc): NIL					
	At the End of the year	--	--	--	---

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.	For Each of the Directors and KMP	Shareholding at the beginning of the	Cumulative Shareholding during
-----	-----------------------------------	--------------------------------------	--------------------------------

No.		year		the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M. Srinivas Reddy				
	At the beginning of the year	101025000	18.91	101025000	18.91
	Date wise Increase /Decrease in Directors and Key Managerial personnel Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	101025000	18.91	--	--
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	A.V Rama Raju	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	800000		800000	--
	Date wise Increase /Decrease in Directors and Key Managerial personnel Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	800000		800000	--
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	P.Priyanaka	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Directors and Key Managerial personnel Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	NIL	NIL	NIL	NIL
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4	E.Sudheer Reddy	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Directors and Key Managerial personnel Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	3285.95	44.88 lakhs	--	3330.83
ii) Interest due but not paid	740.48			740.48
iii) Interest accrued but not due				
Total (i+ii+iii)	4026.43	44.88	--	4071.31
Change in Indebtedness during the financial year Addition	--	--	--	--
Reduction				
Net Change	--	28.50	--	28.50
Indebtedness at the end of the financial year	--	--	--	--
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	4026.43	73.38	0	4099.81

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager:			Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Remuneration to managing Director Rs.208333/- Per Month (208333*12) =25,00,000			Rs.25,00,000
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - Others, specify...	--	--	--	--
5.	Others, please specify	--	--	--	--
6.	Total (A)	25,00,000	-	--	25,00,000
7.	Ceiling as per the Act	--	-	--	--

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	NIL	NIL	NIL	--	NIL
	Total (1)					
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--	--	--
	Total (2)	--	--	--	--	--

Total (B)=(1+2)	--	---	--	--	--
Total Managerial Remuneration	--	--	--	--	--
Overall Ceiling as per the Act	--	--	--	--	--

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
				CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			7,15,000	7,15,000/-
2.	Stock Option			0	0
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total			7,15,000	7,15,000/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE II
DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s Farmax India Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
- (i) The statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: 28.05.2016
Place: Hyderabad

S/d-
Priyanka Palacharla
(Independent director)

ANNEXURE II
DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s Farmax India Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
- (i) The statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: 28.05.2016
Place: Hyderabad

S/d-
A.V.Rama Raju
(Independent director)

ANNEXURE II
DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s Farmax India Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
- (i) The statutory audit firm or the internal audit firm that is associated with the Company and
- (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: 28.05.2016
Place: Hyderabad

S/d-
E. Sudheer Reddy
(Independent director)

Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 - AOC-1, the Company is presenting summarised financial information about individual subsidiaries as at March 31, 2016.

Information relating to Subsidiaries as at March 31, 2016.

Sl. No	Name of the Subsidiary	Reporting Currency	Exchange rate as on 31-Mar-2016	Share Capital	Reserves and Surplus	Total Assets	Investments	% of holding	Sales and Other Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1.	FARMAX INTERNATIONAL FZE	INR	--	--	--	--	--	--	--	--	--	--	--

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule
8(2) of the Companies
(Accounts) Rules, 2014)

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 there to

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

a. Name(s) of the related party and nature of relationship: M. SRINIVASA REDDY, Managing Director & M. Mala Reddy, Promoter

b. Nature of contracts/arrangements/transactions: RENTAL AGREEMENT

c. Duration of the contracts / arrangements/transactions: 10 YEARS

d. Salient terms of the contracts or arrangements or transactions including the value, if any: 6,00,000 rent is paid per F.Y 2015-16

e. Justification for entering into such contracts or arrangements or Transactions date(s) of approval by the Board:

f. Amount paid as advances, if any: NA

g. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

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

a. Name(s) of the related party and nature of relationship

Name of the INDIVIDUAL	Nature of Relationship
M. SRINIVASA REDDY & M.MALLA REDDY	M. SRINIVASA REDDY is the Managing Director of the company and M.Malla Reddy is Promoter of the Company

b. Nature of contracts/arrangements/transactions: RENT PAID

c. Duration of the contracts / arrangements/transactions: during year

d. Salient terms of the contracts or arrangements or transactions including the value, if any: nil

e. Date(s) of approval by the Board, if any: NA

INDEPENDENT AUDITORS' REPORT

The Members

Farmax India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of FARMAX INDIA LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1.** As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2.** As required by Section 143 (3) of the Act, we report that:
 - a.** We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b.** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c.** The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d.** In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e.** On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f.** With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.
 - g.** 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, in our opinion and to the best of our information and according to the explanations given to us:
 - 1.** The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - 2.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 3.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s Vijaya Sai Kumar & Associates
Chartered Accountants
FRN: 004694S

Place: Hyderabad
Date: 27.05.2016

Sd/-
B.Vijay Sai Kumar
Statutory Auditors
Mem.No.027813

Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the Members of the Company on the standalone financial statements for the year ended 31st March, 2016, we report that:

I. In respect of its fixed assets

- a.** The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b.** We are informed by the management that physical verification of fixed assets is done on regular intervals and no material differences or discrepancies were noticed.

II. In respect of its inventory

- a.** As per the explanations given to us, physical verification of raw materials, stocks in process, finished goods and other items of consumables inventory has been conducted by the management during the period at regular intervals. In our opinion, the frequency of such physical verification is reasonable.
- b.** The procedures for physical verification of inventory followed by the management, in our opinion, have scope for further improvement. Most of the procedures followed, are prima facie reasonable in relation to the size of the Company and the nature of the business at present.
- c.** The Company maintains excise related records for its raw materials and finished goods, which are reasonably properly maintained. For its semi finished (in-process) stocks, the records can be improved/bettered with respect to receipts, issues, balances being maintained in a chronological sequence, recording of movement a custody of such stocks as well as consumables inventory. We recommended the maintenance of a priced stores ledger, and a formal procedure for reconciliation of factory a accounts related inventory records.
- d.** We are informed by the management that no material differences or discrepancies were noticed on physical verification of stocks with accounts related inventory records.
- iii.** The Company has not granted/taken any loans, secured or unsecured to/from the companies, firms of other parties covered in the register maintained under Section 189 of the Companies Act, 2013,
- iv.** In respect of loans, investments, guarantees and securities issued by the company are in compliance with the provisions of Sections 185 and 186 of the Companies Act, 2013.
- v.** In our opinion and explanations given to us, the Company has not invited or accepted any deposits from the public attracting the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. No order has been passed by the Company Law Board regarding compliance of above said provisions.
- vi.** The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products of the Company, as per Cost Accounting Records Rules, 2014.
- vii.**
 - a.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
 - b.** According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes (Issues under regular assessment are not reported):

Name of The Statute	Nature of Dues	Amount	Period to which the Amount Relates	Forum Where Pending
The Central Excise Act 1944	Excise Duty and Penalty	37,39,962.00	2007-08, 2008-09, 2009-10& 2011-12	Appellate Authority – Commissioner
The Income Tax Act, 1961	Income Tax	1,74,89,574.00	2008-09, 2009-10& 2011-12	CIT/ Tribunals – Appeals
AP VAT Act, 2005	VAT Audit Tax	23,84,775.00	2007-08, 2008-09, 2009-10	Commercial Tax Office, Hydernagar Circle.

- viii.** In our opinion and according to the information and explanations given to us, there are no defaults in repayment of loans or borrowings to financial institution/banks/government/debenture holders on the date of Balance Sheet.
- ix.** In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (Including debt instruments) and the term loans availed have generally been applied for the purpose for which they were raised.
- x.** According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- xi.** According to the information and explanations given to us, the Company paid the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii.** In our opinion the Company is not a Nidhi Company; accordingly Paragraph 3 (xii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii.** According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.** According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv.** According to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him.
- xvi.** According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Annexure 'B' to the Independent Auditors' Report

Annexure 'B' to the Independent Auditor's report of even date on the Standalone Financial Statements of Farmax India 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 Farmax India Limited ('the Company') as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended as 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 (the 'Guidance Note'), issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note'), 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 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 31st March, 2016, 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 M/s Vijaya Sai Kumar & Associates
Chartered Accountants
FRN: 004694S

Place: Hyderabad
Date: 27.05.2016

Sd/-
B.Vijay Sai Kumar
Statutory Auditors
Mem.No.027813

FARMAX INDIA LTD
Sy No 658, Bowrampet, Qutubullapur Mandal,
Rangareddy District
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Sch. No.	Rs. In Lacs	
		As At	As At
		31-Mar-16	31-Mar-15
		Audited	Audited
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	5,341.71	5,341.71
(b) Reserves and Surplus	2	6,130.22	5,260.56
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	73.38	44.88
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	4	4,026.43	4,057.49
(b) Trade Payables	5	137.83	249.18
(c) Other Current Liabilities	6	26.15	25.47
(d) Short-Term Provisions	7	18.84	16.38
Total Equity & Liabilities		3,494.12	4,474.55
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block	8	3,637.69	3,729.24
(ii) Depreciation		1,692.25	1,722.08
(iii) Net Block		1,945.44	2,007.16
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	9	450.03	450.03
(e) Other non-current assets	10	86.15	89.63
(2) Current Assets			
(b) Inventories	11	193.85	884.91
(c) Trade receivables	12	619.37	693.36
(d) Cash and cash equivalents	13	20.05	23.61
(e) Short-term loans and advances	14	179.23	325.85
(f) Other current assets		-	-
Total Assets		3,494.13	4,474.55

NOTES TO ACCOUNTS

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Schedules referred to above and notes attached there to form an integral part of Balance Sheet

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

FOR Vijay Sai Kumar and Associates

For Farmax India Ltd

CHARTERED ACCOUNTANTS

(M SRINIVASA REDDY)
MANAGING DIRECTOR

(A V RAMARAJU)
DIRECTOR

(B VIJAY SAI KUMAR)
PROPRIETOR
Membership No. : 027813
Firm Reg. No.: 004694S
PLACE : HYDERABAD
DATE : 27-05-2016

CH VARA PRASAD
CHIEF FINANCE OFFICER

FARMAX INDIA LTD
Sy No 658, Bowrampet, Qutubullapur Mandal,
Rangareddy District
PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2016

Sl No	Particulars	Sch. No.	Rs. In Lacs	
			As At 31-Mar-16	As At 31-Mar-15
I	Revenue from operations	15	Rs. 1,641.16	Rs. 2,104.56
II	Other Income	16	28.57	178.42
III	III. Total Revenue (I +II)		1,669.73	2,282.97
IV	Expenses:			
	Cost of materials consumed	17	1,477.87	2,777.95
	Manufacturing Expenses	18	80.02	88.01
	Changes in inventories of finished goods, WIP and Stock-in-Trade	19	712.60	(762.29)
	Employee Benefit Expense	20	118.50	121.11
	Financial Costs	21	0.66	6.01
	Depreciation and Amortization Expense	22	51.18	222.06
	Other Administrative Expenses	23	98.57	40.23
	Total Expenses (IV)		2,539.39	2,493.08
V	Profit before exceptional and extraordinary items and tax	(III - IV)	(869.66)	(210.11)
VI	Exceptional Items		0.00	0.00
VII	Profit before extraordinary items and tax (V - VI)		(869.66)	(210.11)
VIII	Extraordinary Items		0.00	0.00
IX	Profit before tax (VII - VIII)		(869.66)	(210.11)
X	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) Deferred tax		0.00	0.00
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(869.66)	(210.11)
XII	Profit/(Loss) from discontinuing operations		0.00	0.00
XIII	Tax expense of discounting operations		0.00	0.00
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		0.00	0.00
XV	Profit/(Loss) for the period (XI + XIV)		(869.66)	(210.11)
XVI	Earning per equity share:			
	(1) Basic		(0.00)	(0.00)
	(2) Diluted		(0.00)	(0.00)

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

FOR Vijay Sai Kumar and Associates

For Farmax India Ltd

CHARTERED ACCOUNTANTS

(M SRINIVASA REDDY)
MANAGING DIRECTOR

(A V RAMARAJU)
DIRECTOR

(B VIJAY SAI KUMAR)

PROPRIETOR

Membership No. : 027813

Firm Reg. No.: 004694S

PLACE : HYDERABAD

DATE : 27-05-2016

CH VARA PRASAD

CHIEF FINANCE OFFICER

FARMAX INDIA LIMITED
 Sy. No. 658, Bowrampet Village, Quthbullapur Mandal
 Ranga Reddy Dist.

Cash Flow Statement for the period ending 31 March, 2016

Particulars	For the Year ended 31-03-2016		For the Year ended 31-03-2015	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax as per Profit and Loss Account		(869.66)		(210.11)
Adjustments for:				
Depreciation and amortisation Expenses	51.18		216.63	
Finance costs on Account of Term Loans	0.66		6.01	
Other Income	(28.57)		(178.42)	
Provision for advance to subsidiary	0.00		0.00	
Provision for Bills Receivables	0.00		0.00	
Provision for diminution in value Investments	0.00	23.27	0.00	44.22
Operating Profit / (Loss) before working capital changes		(846.40)		(165.89)
Adjustments for:				
Trade and Other Receivables	73.99		(675.99)	
Inventories	691.06		(549.24)	
Other current assets	148.28		(326.45)	
Trade and Other Payables	(108.21)		(25.00)	
Net Working Capital		805.12		(1,576.68)
Increase / (Decrease) in Working Capital		(41.28)		(1,742.57)
Less Taxes Paid		0.00		0.00
Cash Generated from Operating Activities		(41.28)		(1,742.57)
B Cash flow from Investments				
(Increase) / Decrease in Fixed Assets - Purchase and Disposal of Assets	91.55		(19.14)	
(Increase) / Decrease in Fixed Investments - Other Non Current Assets	1.82		(3.67)	
Other Income	28.57		178.42	
Net Cash Flow from Investment Activities		121.94		155.61
C Cash Flow from Financing Activities				
Proceeds from issue of Share Capital	(402.79)		1,661.50	
Proceeds from Borrowings (Increase in Borrowings)	(31.05)		(49.07)	
Repayment of Term Loans	28.50		2.72	
Repayment of Other long Term Liabilities			0.00	
Interest Paid	(0.66)		(6.01)	
Net Cash Flow from Financing Activities		(406.00)		1,609.14
Net cash flow during the year		(325.34)		22.19
Cash and Cash Equivalents at the beginning of the period		23.61		1.42
Cash and Cash Equivalents at the end of the period		(301.73)		23.61
Cash & Cash Equivalents Comprise of:				
(i) Cash on hand		19.46		20.46
(ii) Balances with banks				
(a) In current accounts		0.59		3.15
		20.05		23.61
Summary of Significant Accounting Policies				

In terms of our Report attached
 FOR Vijay Sai Kumar and Associates
 CHARTERED ACCOUNTANTS

(B VIJAY SAI KUMAR)
 PROPRIETOR
 Membership No. : 027813
 Firm Reg. No.: 0046945
 PLACE : HYDERABAD

for and on behalf of the Board
 FARMAX INDIA LIMITED

(M. SRINIVASA REDDY) (A V RAMA RAJU)
 MANAGING DIRECTOR DIRECTOR

CH VARA PRASAD
 CHIEF FINANCE OFFICER

FARMAX INDIA LTD

Schedules Forming Integral Part of the Balance Sheet as at 31st December, 2015

Schedule : 1 Share Capital

Sr. No	Particulars	Rs. In Lacs	
		As At	As At
		31-Mar-16	31-Mar-15
1	AUTHORIZED CAPITAL Equity Shares of Rs.1/- each with voting rights	Amount 6,000.00	Amount 6,000.00
		6,000.00	6,000.00
2	ISSUED , SUBSCRIBED SHARE CAPITAL Equity Shares of Rs.1/- each with voting rights	5,341.71	5,341.71
3	SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL Equity Shares of Rs.1/- each with voting rights	-	-
		5,341.71	5,341.71
	Total in	5,341.71	5,341.71

Note 2b : Reconciliation of Equity Shares Outstanding at the beginning and end of the year:

Particulars	Opening Balance	Closing Balance
Equity Shares with voting rights at Year ended 31-03-2015		
Number of Shares	5,341.71	5,341.71
Amount Rs.	5,341.71	5,341.71
Period ended 31-03-2016		
Number of Shares	5,341.71	5,341.71
Amount Rs.	5,341.71	5,341.71

Note 2 C: Terms / Rights attached to Equity Shares:

The Company has only one class of Equity Shares having par Value of Rs.1/- per share. Each holder of Equity Shares is entitled to one vote per share

In the event of liquidation of the Company the holder of Equity Share will be entitled to receive remaining assets of the Company in proper proportion to number of Equity Shares held.

Note 2-d: Details of Shareholders holding more than 5% Equity Shares in the Company:

Class of Shares / Name of the Shareholder	As at 31-03-2016		As at 31-03-2015	
	No of Shares	% held	No of Shares	% held
Equity Shares with voting rights Mortala Srinivasa Reddy	1,010.25	24.74	1,010.25	24.74

FARMAX INDIA LTD

Schedule : 2 Reserve & Surplus

Sr. No	Particulars	Rs. In Lacs	
		As At	As At
		31-Mar-16	31-Mar-15
1	Capital Reserve		
	a) Capital Reserve	0.65	0.65
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	7,427.75	7,024.96
	Add Additions during the year - on issue of Preferential Shares	-	402.79
	Less Deposits Written Off	-	-
		7,428.40	7,428.40
3	Revaluation Reserve	702.95	702.95
	Total A	8,131.34	8,131.34

4	Surplus in Statement of Profit & Loass Account		
	Balance as per the last financial statements	(13,392)	(13,182)
	Add: Profit / (Loss) for the Year	(870)	(210)
	Net Surplus in statement of Profit & Loss Account B	(14,262)	(13,392)
	Total A + B	(6,130)	(5,261)

Schedule : 3 Long Term Borrowings

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
1	Bonds / Debentures	-	-
2	Term Loan	-	-
	- From Bank	-	-
	- From Other Parties	73.38	44.88
3	Deferred Payment Liabilities	-	-
4	Deposit	-	-
5	Loans & Advances From Related Parties	-	-
6	Long Term Maturities of Finane lease obligation	-	-
7	Loans From Directors	-	-
8	Hire Purchas Loans (Secured by Hypothecation of Vehicles)	-	-
	Total	73.38	44.88

Schedule : 4 Short Term Borrowings

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
1	Loan Repayable on Demand		
	- From Bank	4,026.43	4,057.49
2	Loans & Advances From Related Parties	-	-
3	Depsoits	-	-
4	Others	-	-
	Total	4,026.43	4,057.49

* The above loans have been sanctioned by SBI against Hypothecation of stocks and receivables, Plant and Machinery and equitable mortgage of various properties and personal guarantee of director. Due to default in repayment of dues by the company the bank has issued a notice on 28th January 2013 U/s 13 (2) of SARFAESI Act calling upon the company to discharge entire liability within 60 days. The above amount has become due for payment.

Schedule : 5 Trades Payable

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
1	Sundry Creditors for Material Supplies	137.83	247.44
2	Advance Received from Customers	-	-
3	Sundry Creditors for Services	-	1.74
	Total	137.83	249.18

FARMAX INDIA LTD

Schedule : 6 Other Current Liabilities

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
1	AP VAT Payable	3.30	0.52
2	AP CST Payble	0.04	-
3	TDS Paybale	3.16	5.29
4	Central Sales Tax Payable	19.66	19.66
	Total	26.15	25.47

Schedule : 7 Short Term Provisions

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
I	<u>Provision For Employees Benefit</u>		
1	Salaries Payable	8.28	11.16
2	EPF and ESIC Payable	0.41	0.37
II	<u>Others</u>	-	-
1	Electricity & Power Charges Payable	3.61	3.97
2	Profession Tax Payable	0.03	0.03
3	Rent Payable	5.85	0.45
5	Audit Fee Payable	0.65	0.40
	Total	18.84	16.38

FARMAX INDIA LTD
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Schedule : 8 Fixed Asset

Sr. No	Particulars	Rate	Gross Block				Depreciation				Net Block					
			As At	Addition during the year	Deduction during the year	As At	As At	Addition during the year	Deduction during the year	As At	As At	As At	As At			
			1-Apr-15 Rs.	Rs.	Rs.	31-Mar-16 Rs.	1-Apr-15 Rs.	Rs.	Rs.	31-Mar-16 Rs.	31-Mar-16 Rs.	31-Mar-16 Rs.	31-Mar-15 Rs.			
I	Tangible Assets															
1	Land	0%	965.21	-	-	965.21	-	-	-	-	-	-	-	965.21	965.21	965.21
2	Buildings	9.50%	563.03	-	-	563.03	-	-	29.83	248.99	29.83	-	278.82	284.21	314.05	314.05
3	Plant and Machinery	18.10%	1,754.06	7.93	-	1,761.99	-	-	3.08	1,154.78	3.08	-	1,151.70	610.29	599.27	599.27
4	Lab Equipment	25.89%	120.90	-	-	120.90	-	-	7.08	93.55	7.08	-	100.63	20.27	27.35	27.35
5	Furnitures & Fixtures	25.89%	31.82	-	-	31.82	-	-	1.80	24.87	1.80	-	26.67	5.15	6.95	6.95
6	Vehicles (Cars)	25.89%	149.90	-	99.48	50.41	-	99.48	7.73	117.90	7.73	81.01	44.62	5.79	32.00	32.00
7	Office Equipment	45.07%	7.13	-	-	7.13	-	-	1.09	4.71	1.09	-	5.80	1.33	2.43	2.43
8	Electrical Installations	25.89%	50.47	-	-	50.47	-	-	4.13	34.52	4.13	-	38.65	11.82	15.94	15.94
9	Computers	63.16%	10.89	-	-	10.89	-	-	0.49	10.12	0.49	-	10.61	0.28	0.77	0.77
10	Shed and Utilities	4.87%	75.84	-	-	75.84	-	-	2.10	32.65	2.10	-	34.75	41.09	43.19	43.19
	Total [A + B + C + D] (Current Year)		3,729.24	7.93	99.48	3,637.69	7.93	99.48	51.18	1,722.08	51.18	81.01	1,692	1,945	2,007.16	2,007.16
	(Previous Year) - 2014-15		3,710.11	19.14	0.00	3,729.24	19.14	0.00	216.63	1,505.45	216.63	0.00	1,722.08	2,007.16	2,204.66	2,204.66
			0	0	0	0	0	0	0	0	0	0	0	0	0	0

FARMAX INDIA LTD

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Schedule : 9 Long Term Loans and Advances

Sr. No	Particulars	Rs.	Rs. In Lacs
		As At	As At
		31-Mar-16	31-Mar-15
I) Capital Assets			
a) Secured, Considered Good :	409.25	409.25	
b) Unsecured, Considered Good :	-	-	
c) Doubtful	-	-	
II) Security Deposit			
Telephone Deposit	0.02	0.02	
Electricity Deposit	15.26	15.26	
Excise Deposit	3.00	3.00	
Rental Advance	1.09	1.09	
Taxes paid under Protest	21.42	21.42	
III) Loans & Advances to related parties			
	-	-	
IV) Other Loans & Advances			
	-	-	
Total	450.03	450.03	

Schedule : 10 Other Non Current Assets

Sr. No	Particulars	Rs.	Rs.
		As At	As At
		31-Mar-16	31-Mar-15
1 Unamortised Expenses			
Opening Balance	9.09	-	
Add Additions : RoC Filing Fees for Enhancement of Share Capital	-	9.09	
	9.09	9.09	
Less Amortised during the year	1.82	-	
Closing Balance	7.27	9.09	
2 Margin Money on Bank Guarantee	46.20	46.20	
3 CENVAT Credit	7.06	8.72	
4 Service Tax Credit	25.62	25.62	
Total	86.15	89.63	

Schedule : 11 Inventories

Sr. No	Particulars	Rs.	Rs.
		As At	As At
		31-Mar-16	31-Mar-15
1 Raw Material	69.73	43.99	
2 Finished Goods	112.41	825.01	
3 Packing Material	10.85	15.79	
4 Stores & Spares	0.85	0.12	
Total	193.85	884.91	

Schedule : 12 Trade Receivables

Sr. No	Particulars	Rs.	Rs.
		As At	As At
		31-Mar-16	31-Mar-15
1 Outstanding for more than six months			
a) Secured, Considered Good :	551.68	0	
b) Unsecured, Considered Good :	-	0	
c) Doubtful	-	0	
2 Others			
a) Secured, Considered Good :	67.69	693.36	
b) Unsecured, Considered Good :	-	-	
c) Doubtful	0	-	
Total	619.37	693.36	

FARMAX INDIA LTD

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Schedule : 13 Cash & Cash Equivalent

Sr. No	Particulars	Rs.	Rs.
		As At	As At
		31-Mar-16	31-Mar-15
1	Cash-in-Hand		
	Cash Balance	19.46	20.46
	Sub Total (A)	19.46	20.46
2	Balance in Current Accounts	0.59	3.15
	Sub Total (B)	0.59	3.15
	Total [A + B + C]	20.05	23.61

Schedule :14 Short Terms Loans and Advances

Sr. No	Particulars	Rs.	Rs.
		As At	As At
		31-Mar-16	31-Mar-15
	<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
	Advance paid to Parties	176.73	322.76
	Input Tax Receivable	2.03	1.96
	Interest Receivable on Electricity Deposit	-	0.63
	TDS Receivable on Interest on Electricity Deposit	0.07	0.07
	Prepaid Expenses	0.40	0.42
	Total	179.23	325.85

FARMAX INDIA LTD

Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2015

Schedule : 15 Revenue from Operations

Sr. No	Particulars	Rs. In Lacs	
		As At 31-Mar-16	As At 31-Mar-15
1	Sale of Products	1,641.16	2,105
	Total	1,641.16	2,105

Schedule : 16 Other Income

Sr. No	Particulars	As At	
		31-Mar-16	31-Mar-15
1	Cash Discounts Received	28.57	23.77
2	Rents Received	-	1.10
3	Interest received from Bank	-	3.92
4	Reversal of Interest Excess Charged By the Bank	-	38.60
5	Insurance Claim Received	-	4.60
6	Interest received from Electricity Deposit	-	0.70
8	Other Income	-	105.72
	Total	28.57	178.42

Schedule : 17 Cost of Material Consumed

Sr. No	Particulars	As At	
		31-Mar-16	31-Mar-15
a)	PURCHASES OF RAW MATERIALS AND PACKING MATERIAL		
1	Opening Stock of Raw Material	59.77	272.56
	Add Purchase of Raw Material	1,497.53	2,563.84
		1,557.30	2,836.41
	Less Closing Stock of Raw Material	81	59.77
	Sub-total (a)	1,477	2,776.63
b)	Cost of Stores and Spares Consumed		
	Opening Stock	0.12	0.39
	Add Purchase	1.88	1.06
		2.01	1.44
	Less Closing Stock	0.85	0.12
	Sub-total (b)	1.16	1.32
	Total	1,477.87	2,777.95

Schedule : 18 Change in Inventories

Sr. No	Particulars	As At	
		31-Mar-16	31-Mar-15
1	Opening Stock	825.01	62.72
2	Closing Stock	112.41	825.01
	Total	712.60	- 762.29

Schedule : 19 Manufacturing Expenses

Sr. No	Particulars	As At	
		31-Mar-16	31-Mar-15
1	Power and Fuel	56.01	54.57
2	Excise Duty	0.45	1.53
3	Factory Rent	6.00	6.00
4	Repairs and Maintenance - Plant and Machinery	16.38	24.15
5	Hamali Charges, Loading and Unloading	1.19	1.77
	Total	80.02	88.01

FARMAX INDIA LTD

Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2015

Schedule : 20 Employment Benefit Expenses

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
1	Salaries and Wages	115.65	118.70
2	Staff Welfare Expenses	-	0.04
3	Provident and ESI	2.84	2.37
	Total	118.50	121.11

Schedule :21 Financial Cost

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
1	Interest on Mortgage Loan	-	5.71
2	Bank Charges	0.26	0.30
3	Interest others	0.39	-
	Total	0.66	6.01

Schedule : 22 Depreciation & Amortised Cost

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
1	Depreciation	51.18	216.63
2	Amortised Expenses - Product Launch Expenses	-	5.42
	Total	51.18	222.06

Schedule : 23 Administrative, Selling and Distribution Expenses

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
1	Advertisement Expenses	-	0.11
2	Auditors Remuneration	1.00	1.02
3	Discounts Issued	-	4.87
4	General Expenses	-	0.02
5	Insurance	1.49	2.47
6	Legal, Professional and Consultancy Charges	4.38	2.87
7	Listing Fee	-	4.98
8	Postage and Courier	0.05	0.34
9	Printing and Stationery	0.21	3.72
10	Rates and Taxes	3.51	2.50
11	Rent	0.21	0.63
12	Repairs and Maintenance	0.62	0.07
13	Sales Tax FY 2010-2013	-	1.71
14	Stock Audit Fees	-	-
15	Sundry Balances Written Off	- 0.01	- 0.02
16	Telephone Expenses	1.25	1.32
17	Trademark Expenses	-	-
18	Transportation Charges	0.91	0.35
19	Travelling and Conveyance	12.48	7.58
20	VAT and CST	71.51	-
21	Vehicle Maintenance	0.96	5.67
	Total	98.57	40.23

Sr. No	Particulars	As At	As At
		31-Mar-16	31-Mar-15
	Net Profit after tax as per statement of Profit and Loss Attributable to Equity Shareholders	(870)	(210)
	Weighted Average number of Equity Shares used as denominator for calculating EPS	5,342	5,342
	Face Value Per Share (Rs.)	1	1
	Basic and Diluted Earnings Per Share (Rs.)	(0.16)	(0.04)

NOTES FORMING PART OF ACCOUNTS**Schedule : 24**

Related party disclosures

List of Related Parties

- | | | |
|-----|--------------------------|---------------------------------------|
| I. | Subsidiaries | : Farmax International FZE. (100%) |
| II. | Key Management Personnel | : Mr.M Srinivasa Reddy, Chairman & MD |

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I. Subsidiaries		
: Investment in Equity	-	-
Bad Debts for diminution in Value of Investments	-	-
Balance	-	-
Loan to Subsidiary	-	-
Bad debts for Advance to Subsidiary	-	-
Balance	-	-
II. Key Management Personnel		
: Remuneration	25.00	-
: Land Lease	6.00	6.00

Schedule : 25**Consumption of Raw Materials, Spare parts and Components Imported**

Particulars	Value(Rs.)	%
Raw Materials	Nil(Nil)	NIL
Spare Parts and Components	Nil(Nil)	NIL
Total	Nil(Nil)	NIL

Indigenous

Particulars	Value(Rs.)	%
Raw Materials	1476.71(C.Y) 2776.63 (P.Y)	100
Spare Parts and Components	1.16(C.Y) 1.32 (P.Y)	100
Total	1477.87 (C.Y) 2777.95 (P.Y)	100

Schedule: 26**Consumption of Raw Materials, Stores, Spares & Consumables**

(As the details relating to item wise material consumed, sales, and inventories were riot available, the same is not provided)

Particulars	Amount in Rs.	Amount in Rs.
Atta, Rawa, Maida Furnace Oil and Packing Materials, spares		

Sales and Inventory details:

Particulars	Sales (Rs.)	Closing Inventory (Rs.)	Opening Inventory (Rs.)
Atta, Pasta, Vermicelli, Maida, Rawa	1641.16 (C.Y) 2104.56 (P.Y)	193.85(CY) 884.91(PY)	884.91(CY) 335.67(PY)

Schedule : 27

The Company operates in one major segment only. Hence the requirement of giving segmental information as per the accounting standard AS - 17 'Segmental Reporting' issued by ICAI is not applicable.

Schedule : 28

Deferred tax asset as per AS-22 "Accounting for Taxes on Income" has not been provided since there is no virtual certainty of taxable income in near future.

Schedule : 29

The Management is of the opinion that as on the Balance Sheet date, there are no indications of a material impairment loss on Fixed Assets, hence the need to provide for impairment loss as per AS-28 "Impairment Of Assets" does not arise.

Schedule: 30

Foreign Currency Transactions:

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
I. Earnings in foreign exchange Export Sales on FOB Basis	-	-
II. Expenditure in foreign exchange Professional and Legal Consultant fees	-	-

Schedule: 31

Imports on CIF Basis – Nil

Schedule :32

Auditors Remuneration:

Particulars		For the year ended	For the year ended
i.	Statutory and Tax Audit Fees	1.00	1.00
ii.	Other Services	NIL	NIL
Total remuneration paid		1.00	1.00

Schedule :33

- a) The Company has made an application in Form A (Annexure 1) on 01-08-2013 for the registration as a sick unit under provision of Sick Industrial Companies (Special provisions) Act, 1985 as the net worth of the Company is completely eroded. The same has been registered in the Board as Case No. 91/2013 as per order dated 17-12-2013 of the Secretary, Board for Industrial and Financial Reconstruction. It is pending for determination of sickness,
- b) Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification

FOR Vijay Sai Kumar and Associates
CHARTERED ACCOUNTANTS

(B VIJAY SAI KUMAR)
PROPRIETOR

Membership No. : 027813
Firm Reg. No.: 004694S
PLACE : HYDERABAD
DATE : 27-05-2016

For Farmax India Ltd

(M SRINIVASA REDDY) (A V RAMARAJU)
MANAGING DIRECTOR DIRECTOR

CH VARA PRASAD
CHIEF FINANCE OFFICER

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

The Members
Farmax India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of FARMAX INDIA LIMITED (hereinafter referred to as 'the Holding Company') and its subsidiary together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the evidence obtained and reviewed by the Independent accountant in terms of their reports referred to in first paragraph of the Other Matters mentioned below, are sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of wholly owned foreign subsidiary namely M/s. Farmax International FZE, whose financial statements reflect total assets of Rs. Nil as at 31st March, 2016, and has revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the subsidiaries share of net profit/ loss of ZNil for the year ended 31st March, 2016, as considered in the Consolidated Financial Statements, in respect of whose financial statements have not been audited by us. These financial statements, unaudited and reviewed by the Independent Accountant, have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the Independent Accountant and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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 of the aforesaid Consolidated Financial Statements.

In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

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, in our opinion and to the best of our information and according to the explanations given to us:

The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.

Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the Consolidated Financial Statements in respect of such items as it relates to the Group.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s Vijaya Sai Kumar & Associates
Chartered Accountants
FRN: 004694S

Place: Hyderabad
Date: 27.05.2016

Sd/-
B.Vijay Sai Kumar
Statutory Auditors
Mem.No.027813

FARMAX INDIA LTD
Sy No 658, Bowrampet, Qutubullapur Mandal,
Rangareddy District
Consolidated BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Sch. No.	Rs. In Lacs	
		As at 31-Mar-2016 <i>Audited</i>	As at 31-Mar-2015 <i>Audited</i>
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	5,341.71	5,341.71
(b) Reserves and Surplus	2	(6,259.70)	(5,277.05)
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	73.38	44.88
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	4	4,026.43	4,057.49
(b) Trade Payables	5	137.83	249.18
(c) Other Current Liabilities	6	26.15	25.47
(d) Short-Term Provisions	7	39.84	32.87
Total Equity & Liabilities		3,385.66	4,474.55
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block	8	3,637.69	3,729.24
(ii) Depreciation		1,800.71	1,722.08
(iii) Net Block		1,836.98	2,007.16
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	9	450.03	450.03
(e) Other non-current assets	10	86.15	89.63
(2) Current Assets			
(b) Inventories	11	193.85	884.91
(c) Trade receivables	12	619.37	693.36
(d) Cash and cash equivalents	13	20.05	23.61
(e) Short-term loans and advances	14	179.23	325.85
(f) Other current assets		-	-
Total Assets		3,385.66	4,474.55

NOTES TO ACCOUNTS

24

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

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

FOR Vijay Sai Kumar and Associates

For Farmax India Ltd

CHARTERED ACCOUNTANTS

(B VIJAY SAI KUMAR)
 PROPRIETOR
 Membership No. : 027813
 Firm Reg. No.: 004694S
 PLACE : HYDERABAD
 Date : 27-05-2016

(M SRINIVASA REDDY) (A V RAMARAJU)
 MANAGING DIRECTOR DIRECTOR

CH VARA PRASAD
 CHIEF FINANCE OFFICER

FARMAX INDIA LTD
Sy No 658, Bowrampet, Qutubullapur Mandal,
Rangareddy District
Consolidated PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2016

		Rs. In Lacs		
Sr. No	Particulars	Sch. No.	As at 31-Mar-2016 Audited	As at 31-Mar-2015 Audited
I	Revenue from operations	16	Rs. 1,641.16	Rs. 2,104.56
II	Other Income	17	28.57	178.42
III	III. Total Revenue (I +II)		1,669.73	2,282.97
IV	Expenses:			
	Cost of materials consumed	18	1,477.87	2,777.95
	Manufacturing Expenses		80.02	88.01
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	712.60 -	762.29
	Employee Benefit Expense	20	118.50	121.11
	Financial Costs	21	0.66	6.01
	Depreciation and Amortization Expense	22	159.65	222.06
	Other Administrative Expenses	23	103.08	44.47
	Total Expenses (IV)		2,652.37	2,497.32
V	Profit before exceptional and extraordinary items and tax	(III - IV)	(982.64)	(214.35)
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		(982.64)	(214.35)
VIII	Extraordinary Items		0.00	0.00
IX	Profit before tax (VII - VIII)		(982.64)	(214.35)
X	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) Deferred tax		0.00	0.00
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(982.64)	(214.35)
XII	Profit/(Loss) from discontinuing operations		0.00	0.00
XIII	Tax expense of discounting operations		0.00	0.00
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		0.00	0.00
XV	Profit/(Loss) for the period (XI + XIV)		(982.64)	(214.35)
XVI	Earning per equity share:			
	(1) Basic		(0.18)	(0.04)
	(2) Diluted		(0.18)	(0.04)

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

FOR Vijay Sai Kumar and Associates

For Farmax India Ltd

CHARTERED ACCOUNTANTS

(B VIJAY SAI KUMAR)
 PROPRIETOR
 Membership No. : 027813
 Firm Reg. No.: 004694S
 PLACE : HYDERABAD
 Date : 27-05-2016

(M SRINIVASA REDDY) (A V RAMARAJU)
 MANAGING DIRECTOR DIRECTOR

CH VARA PRASAD
 CHIEF FINANCE OFFICER

FARMAX INDIA LIMITED
 Sy. No. 658, Bowrampet Village, Quthbullapur Mandal
 Ranga Reddy Dist.

Cash Flow Statement for the period ending 31 March, 2016

Rs in Lacs

Particulars	For the Year ended 31-Mar-16		For the Year ended 31-Mar-15	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax as per Profit and Loss Account		(982.64)		(214.35)
Adjustments for:				
Depreciation and amortisation Expenses	159.65		216.63	
Finance costs on Account of Term Loans	0.66		6.01	
Other Income	(28.57)		(178.42)	
Provision for advance to subsidiary	-		-	
Provision for Bills Receivables	-		-	
Provision for diminution in value Investments	-	131.73	-	44.22
Operating Profit / (Loss) before working capital changes		(850.91)		(170.13)
Adjustments for:				
Trade and Other Receivables	73.99		(675.99)	
Inventories	691.06		(549.24)	
Other current assets	148.28		(326.45)	
Trade and Other Payables	(103.70)		(20.76)	
Net Working Capital		809.63		(1,572.44)
Increase / (Decrease) in Working Capital		(41.28)		(1,742.57)
Less Taxes Paid		-		-
Cash Generated from Operating Activities		(41.28)		(1,742.57)
B Cash flow from Investments				
(Increase) / Decrease in Fixed Assets - Purchase and Disposal of Assets	91.56		(19.14)	
(Increase) / Decrease in Fixed Investments - Other Non Current Assets	1.82		(3.67)	
Other Income	28.57		178.42	
Net Cash Flow from Investment Activities		121.95		155.61
C Cash Flow from Financing Activities				
Proceeds from issue of Share Capital	-		1,661.50	
Proceeds from Borrowings(Increase in Borrowings)	(31.05)		(49.07)	
Repayment of Term Loans	28.50		2.72	
Repayment of Other long Term Liabilities			-	
Interest Paid	(0.66)		(6.01)	
Net Cash Flow from Financing Activities		(3.21)		1,609.14
Net cash flow during the year		77.46		22.19
Cash and Cash Equivalents at the beginning of the period		23.61		1.42
Cash and Cash Equivalents at the end of the period		101.07		23.61
Cash & Cash Equivalents Comprise of:				
(i) Cash on hand		19.46		20.46
(ii) Balances with banks				
(a) In current accounts		0.59		3.15
		20.05		23.61
Summary of Significant Accounting Policies				

In terms of our Report attached
 FOR Vijay Sai Kumar and Associates
 CHARTERED ACCOUNTANTS

(B VIJAY SAI KUMAR)
 PROPRIETOR
 Membership No. : 027813
 Firm Reg. No.: 27-05-2016
 Place : Hyderabad

for and on behalf of the Board
 FARMAX INDIA LIMITED

(M. SRINIVASA REDDY) (A V RAMA RAJU)
 MANAGING DIRECTOR DIRECTOR
 CH VARA PRASAD
 CHIEF FINANCE OFFICER

FARMAX INDIA LTD

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Schedule : 1 Share Capital

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar-2016 Audited	As at 31-Mar-2015 Audited
1	AUTHORIZED CAPITAL Equity Shares of Rs.1/- each with voting rights	5,000	5,000
		5,000	5,000
2	ISSUED , SUBSCRIBED SHARE CAPITAL Equity Shares of Rs.1/- each with voting rights	4,106 0	4,106 0
3	SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL Equity Shares of Rs.1/- each with voting rights	5,342	5,342
	Total in `	5,342	5,342

Note 2b : Reconciliation of Equity Shares Outstanding at the beginning and end of the year:

Particulars	Opening Balance	Closing Balance
Equity Shares with voting rights at Year ended 31-03-2015		
Number of Shares	4,083	4,083
Amount Rs.	4,083	4,083
Year ended 31-03-2016		
Number of Shares	5,342	5,342
Amount Rs.	5,342	5,342

Note 2 C: Terms / Rights attached to Equity Shares:

The Company has only one class of Equity Shares having par Value of Rs.1/- per share. Each holder of Equity Shares is entitled to one vote per share

In the event of liquidation of the Company the holder of Equity Share will be entitled to receive remaining assets of the Company in proper proportion to number of Equity Shares held.

Note 2-d: Details of Shareholders holding more than 5% Equity Shares in the Company:

Class of Shares / Name of the Shareholder	As at 31-03-2016		As at 31-03-2015	
	No of Shares	% held	No of Shares	% held
<i>Equity Shares with voting rights</i> Mortala Srinivasa Reddy	1,010	25	1,010	25

FARMAX INDIA LTD

Schedule : 2 Reserve & Surplus

Rs. In Lacs

Sr. No	Particulars	As at Mar- 2016 Audited	31- As at 31-Mar- 2015 Audited
1	Capital Reserve		
	a) Gasifier Subsidy	0.65	0.65
2	Capital Redemption Reserve	0.00	0.00
3	Securities Premium reserve	7,427.75	7,427.75
	Foreign Currency Translation Reserve	1,685.52	1,685.52
	Less Deposits Written Off	0.00	0.00
		9,113.92	9,113.92
3	Revaluation Reserve	702.95	702.95
	Total in `	9,816.86	9,816.86

4

Sr. No	Particulars	As at Mar- 2016 Audited	31- As at 31-Mar- 2015 Audited
5	Loss Balance Brought Forward from Previous Year	(15,093.92)	(14,879.57)
	Less: Tax on Regular Assessment Paid	0.00	0.00
	Add: Profit / (Loss) for the period	(982.64)	(214.35)
	Net Surplus (Deficit) in statement of Profit and Loss Account	(16,076.56)	(15,093.92)
	Total in `	(16,076.56)	(15,093.92)
	Total	(6,259.70)	(5,277.05)
	A + B		

Schedule : 3 Long Term Borrowings

Sr. No	Particulars	As at Mar- 2016 Audited	31- As at 31-Mar- 2015 Audited
1	Bonds / Debentures	-	-
2	Term Loan		
	- From Bank	-	-
	- From Other Parties	73.38	44.88
	Total in `	73.38	44.88

Schedule : 4 Short Term Borrowings

Sr. No	Particulars	As at Mar- 2016 Audited	31- As at 31-Mar- 2015 Audited
1	Loan Repayable on Demand		
	- From Bank		
	From Bank	4,026.43	4,057.49
	- From Other Parties	0.00	0.00
	Total in `	4,026.43	4,057.49

* The above loans have been sanctioned by SBI against Hypothecation of stocks and receivables, Plant and Machinery and equitable mortgage of various properties and personal guarantee of director. Due to default in repayment of dues by the company the bank has issued a notice on 28th January 2013 U/s 13 (2) of SARFAESI Act calling upon the company to discharge entire liability within 60 days. The above amount has become due for payment.

Schedule : 5 Trades Payable

Sr. No	Particulars	As at Mar- 2016 Audited	31- As at 31-Mar- 2015 Audited
1	Sundry Creditors for Material Supplies	137.83	247.44
2	Sundry Creditors for Services	-	1.74
	Total	137.83	249.18

FARMAX INDIA LTD

Schedule : 6 Other Current Liabilities

Sr. No	Particulars	As at	31-	As at
		Mar- 2016	31-	31-Mar- 2015
		Audited	Audited	Audited
1	VAT and CST Payable		3.33	0.52
2	TDS Payable		3.16	5.29
3	Central Sales Tax Payable		19.66	19.66
	Total in `		26.15	25.47

Schedule : 7 Short Term Provisions

Sr. No	Particulars	As at	31-	As at
		Mar- 2016	31-	31-Mar- 2015
		Audited	Audited	Audited
1	Provision For Employees Benefit			
	Salaries Payable		8.28	11.16
	EPF and ESIC Payable		0.41	0.37
2	Others			
	Electricity & Power Charges Payable		3.61	3.97
	Profession Tax Payable		0.03	0.03
	Rent Payable		5.85	0.45
	Rental Advance		0.00	0.00
	Audit Fee Payable		0.65	0.40
	Accrued Expenses		21.01	16.49
	Total in `		39.84	32.87

FARMAX INDIA LTD
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Rs. In Lacs

Schedule - 8 Fixed Asset

Sr. No	Particulars	Rate	Gross Block		As at 31-Mar-2016 Audited	Depreciation		Net Block	
			As at 1st-Apr-2015	Addition during the year		Deduction during the year	As at 31-Mar-2016 Audited	Deduction during the year	As at 31-Mar-2016 Audited
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I	Tangible Assets								
1	Land	0%	965.21	-	965.21	-	-	-	965.21
2	Buildings	9.50%	563.03	-	563.03	29.83	-	278.82	284.21
3	Plant and Machinery	18.10%	1,754.06	7.92	1,761.98	105.38	-	1,260.17	501.82
4	Lab Equipment	25.89%	120.90	-	120.90	7.08	-	100.63	20.27
5	Furnitures & Fixtures	25.89%	31.82	-	31.82	1.80	-	26.67	5.15
6	Vehicles (Cars)	25.89%	149.90	-	149.90	7.73	81.01	44.62	5.79
7	Office Equipment	45.07%	7.13	-	7.13	1.09	-	5.80	1.33
8	Electrical Installations	25.89%	50.47	-	50.47	4.13	-	38.65	11.82
9	Computers	63.16%	10.89	-	10.89	0.49	-	10.61	0.28
10	Shed and Utilities	4.87%	75.84	-	75.84	2.10	-	34.75	41.09
	Total [A + B + C + D] (Current Year)		3,729.24	7.92	3,637.99	159.65	81.01	1,800.71	1,836.98
	(Previous Year) - 2014-15		3,710.11	19.14	3,729.24	216.63	-	1,722.08	2,007.16
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0

FARMAX INDIA LTD

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Schedule : 9 Long Term Loans and Advances

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at Mar- 2015 Audited
I) Capital Assets			
a) Secured, Considered Good :		409.25	409.25
II) Security Deposit			
Telephone Deposit		0.02	0.02
Electricity Deposit		15.26	15.26
Excise Deposit		3.00	3.00
Rental Advance		1.09	1.09
Taxes paid under Protest		21.42	21.42
III) Loans & Advances to related parties		-	-
IV) Other Loans & Advances		-	-
Total in `		450.03	450.03

Schedule : 10 Other Non Current Assets

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at Mar- 2015 Audited
1 Unamortised Expenses			
Opening Balance		9.09	-
Add Additions : RoC Filing Fees for Enhancement of Share Capital		-	9.09
		9.09	9.09
Less Amortised during the year		1.82	0
Closing Balance		7.27	9.09
2 Margin Money on Bank Guarantee		46.20	46.20
3 CENVAT Credit		7.06	8.72
4 Service Tax Credit		25.62	25.62
Total in `		86.15	89.63

Schedule : 11 Inventories

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at Mar- 2015 Audited
1 Raw Material		69.73	43.99
2 Finished Goods		112.41	825.01
3 Packing Material		10.85	15.79
4 Stores & Spares		0.85	0.12
Total in `		193.85	884.91

Schedule : 12 Trade Receivables

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at Mar- 2015 Audited
1 Outstanding for more than six months			
a) Secured, Considered Good :		551.68	-
b) Unsecured, Considered Good :		-	-
c) Doubtful		-	-
2 Others			
a) Secured, Considered Good :		67.69	693.36
b) Unsecured, Considered Good :		-	-
c) Doubtful		-	-
Total in `		619.37	693.36

FARMAX INDIA LTD

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Schedule : 13 Cash & Cash Equivalent

Sr. No	Particulars	As at 31-Mar- 2016 Audited	As at 31- Mar- 2015 Audited
1	Cash-in-Hand		
	Cash Balance	19.46	20.46
	Petty Cash Balance	0.00	0.00
	Sub Total (A)	19.46	20.46
2	Balance in Current Accounts	0.59	3.15
	Sub Total (B)	0.59	3.15
	Total [A + B + C]	20.05	23.61

Schedule :14 Short Terms Loans and Advances

Sr. No	Particulars	As at 31-Mar- 2016 Audited	As at 31- Mar- 2015 Audited
	<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
	Advance paid to Parties	176.73	322.76
	Input Tax Receivable - Telangana VAT	2.03	1.96
	Interest Receivable on Electricity Deposit	-	0.63
	TDS Receivable on Interest on Electricity Deposit	0.07	0.07
	Prepaid Expenses	0.40	0.42
	Total in `	179.23	325.85

FARMAX INDIA LTD

Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2016

Schedule : 15 Revenue from Operations

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
	Sales	1,641.16	2,104.56

Schedule : 16 Other Income

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
1	Cash Discounts Received	28.57	23.77
2	Rents Received	-	1.10
3	Interest received from Bank	-	3.92
4	Insurance Claim Received	-	4.60
5	Interest received from Electricity Deposit	-	0.70
6	Reversal of Interest Excess Charged by the Bank	-	38.60
7	Other Income	-	105.72
	Total in `	28.57	178.42

Schedule : 17 Cost of Material Consumed

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
a)	PURCHASES OF RAW MATERIALS AND PACKING MATERIAL		
1	Opening Stock of Raw Material	59.77	272.56
	Add Purchase of Raw Material	1,497.53	2,563.84
		1,557.30	2,836.41
	Less Closing Stock of Raw Material	80.59	59.77
	Sub-total (a)	1,476.72	2,776.63
b)	Cost of Stores and Spares Consumed		
	Opening Stock	0.12	0.39
	Add Purchase	1.88	1.06
		2.00	1.44
	Less Closing Stock	0.85	0.12
	Sub-total (b)	1.15	1.32
	Total in `	1,477.87	2,777.95

Schedule : 18 Change in Inventories

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
1	Opening Stock	825.01	62.72
2	Closing Stock	112.41	825.01
	Total in `	712.60	- 762.29

Schedule : 19 Manufacturing Expenses

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
1	Power and Fuel	56.01	54.57
2	Excise Duty	0.45	1.53
3	Factory Rent	6.00	6.00
4	Repairs and Maintenance - Plant and Machinery	16.38	24.15
5	Hamali Charges, Loading and Unloading	1.19	1.77
	Total in `	80.02	88.01

Schedule : 20 Employment Benefit Expenses

Sr. No	Particulars	Rs. In Lacs	
		As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
1	Salaries and Wages	115.65	118.70
2	Staff Welfare Expenses	-	0.04
3	Provident and ESI	2.84	2.37
	Total in `	118.50	121.11

FARMAX INDIA LTD

Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2016

Schedule :21 Financial Cost

Sr. No	Particulars	As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
1	Interest on Mortgage Loan	-	5.71
2	Bank Charges	0.66	0.30
	Total in `	0.66	6.01

Schedule : 22 Depreciation & Amortised Cost

Sr. No	Particulars	As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
1	Depreciation	159.65	216.63
2	Amortised Expenses - Product Launch Expenses	-	5.42
	Total in `	159.65	222.06

Schedule : 23 Administrative, Selling and Distribution Expenses

Sr. No	Particulars	As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
1	Advertisement Expenses	-	0.11
2	Auditors Remuneration	1.00	1.02
3	Discounts Issued	-	4.87
4	General Expenses	-	0.02
5	Insurance	1.49	2.47
6	Legal, Professional and Consultancy Charges	4.38	2.87
7	Listing Fee	-	4.98
8	Postage and Courier	0.05	0.34
9	Printing and Stationery	0.21	3.72
10	Rates and Taxes	3.51	2.50
11	Renewal Fees	4.51	4.24
12	Rent	0.21	0.63
13	Repairs and Maintenance	0.62	0.07
14	Sales Tax FY 2010-2013	-	1.71
15	VAT and CST	71.51	-
16	Sundry Balances Written Off	- 0.01	0.02
17	Telephone Expenses	1.25	1.32
18	Trademark Expenses	-	-
19	Transportation Charge	0.91	0.35
20	Travelling and Conveyance	12.48	7.58
21	Vehicle Maintenance	0.96	5.67
	Total in `	103.08	44.47

Sr. No	Particulars	As at 31-Mar- 2016 Audited	As at 31-Mar- 2015 Audited
	Net Profit after tax as per statement of Profit and Loss Attributable to Equity Shareholders	(982.64)	(214.35)
	Weighted Average number of Equity Shares used as denominator for calculating EPS	5,342	5,342
	Face Value Per Share (Rs.)	1.00	1.00
	Basic and Diluted Earnings Per Share (Rs.)	(0.18)	(0.04)

NOTES FORMING PART OF ACCOUNTS**Schedule : 24**

Related party disclosures

List of Related Parties

III.	Subsidiaries	: Farmax International FZE. (100%)
IV.	Key Management Personnel	: Mr.M Srinivasa Reddy, Chairman & MD

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

		For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
III.	Subsidiaries		
	: Investment in Equity	-	-
	Bad Debts for diminution in Value of Investments	-	-
	Balance	-	-
	Loan to Subsidiary	-	-
	Bad debts for Advance to Subsidiary	-	-
	Balance	-	-
IV.	Key Management Personnel		
	: Remuneration	25.00	-
	: Land Lease	6.00	6.00

Schedule :25**Consumption of Raw Materials, Spare parts and Components Imported**

Particulars	Value(Rs.)	%
Raw Materials	Nil(Nil)	NIL
Spare Parts and Components	Nil(Nil)	NIL
Total	Nil(Nil)	NIL

Indigenous

Particulars	Value(Rs.)	%
Raw Materials	1476.71(C.Y) 2776.63 (P.Y)	100
Spare Parts and Components	1.16(C.Y) 1.32 (P.Y)	100
Total	1477.87 (C.Y) 2777.95 (P.Y)	100

Schedule: 26 Consumption of Raw Materials, Stores, Spares & Consumables

(As the details relating to item wise material consumed, sales, and inventories were riot available, the same is not provided)

Particulars	Amount in Rs.	Amount in Rs.
Atta, Rawa, Maida Furnace Oil and Packing Materials, spares		

Sales and Inventory details:

Particulars	Sales (Rs.)	Closing Inventory (Rs.)	Opening Inventory (Rs.)
Atta, Pasta, Vermicelli, Maida, Rawa	1641.16 (C.Y) 2104.56 (P.Y)	193.85(CY) 884.91(PY)	884.91(CY) 335.67(PY)

Schedule : 27

The Company operates in one major segment only. Hence the requirement of giving segmental information as per the accounting standard AS - 17 'Segmental Reporting' issued by ICAI is not applicable.

Schedule : 28

Deferred tax asset as per AS-22 "Accounting for Taxes on Income" has not been provided since there is no virtual certainty of taxable income in near future.

Schedule : 29

The Management is of the opinion that as on the Balance Sheet date, there are no indications of a material impairment loss on Fixed Assets, hence the need to provide for impairment loss as per AS-28 "Impairment Of Assets" does not arise.

Schedule: 30

Foreign Currency Transactions:

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
III. Earnings in foreign exchange Export Sales on FOB Basis	-	-
IV. Expenditure in foreign exchange Professional and Legal Consultant fees	-	-

Schedule: 31

Imports on CIF Basis – Nil

Schedule :32

Auditors Remuneration:

Particulars		For the year ended	For the year ended
iii.	Statutory and Tax Audit Fees	1.00	1.00
iv.	Other Services	NIL	NIL
Total remuneration paid		1.00	1.00

Schedule :33

- c) The Company has made an application in Form A (Annexure 1) on 01-08-2013 for the registration as a sick unit under provision of Sick Industrial Companies (Special provisions) Act, 1985 as the net worth of the Company is completely eroded. The same has been registered in the Board as Case No. 91/2013 as per order dated 17-12-2013 of the Secretary, Board for Industrial and Financial Reconstruction. It is pending for determination of sickness,
- d) Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification

FOR Vijay Sai Kumar and Associates
CHARTERED ACCOUNTANTS

(B VIJAY SAI KUMAR)
PROPRIETOR

Membership No. : 027813
Firm Reg. No.: 004694S
PLACE : HYDERABAD
DATE : 27-05-2016

For Farmax India Ltd

(M SRINIVASA REDDY) (A V RAMARAJU)
MANAGING DIRECTOR DIRECTOR

CH VARA PRASAD
CHIEF FINANCE OFFICER

Gist of the financial performance o the Subsidiary for the year 2016 - 2017

Sl.No	Name of Subsidiary	Reporting Currency	Capital	Total Assets	Total Liabilities	Retained Earnings	Revenue	Net Profit/(Loss for the year
1	Farmax International FZE-UAE	Dirhams	1,50,000	0	57,528,847 -57,528,847 Nil	- 57,353,847	0	-25,000

**Form No. MGT-11
Proxy form**

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

CIN: L27109TG1995PLC022190
 Name of the company: Farmax India Limited
 Registered office: Survey No. 658, Bowrampet (V) Quthbullapur Mandal, Sub- Urban of Hyderabad, Hyderabad, Telangana, 500043

Name of the member(s): Registered Address: E-mail Id: Folio No./Client Id: DP ID:

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Friday, 30th day of September, 2016 at 09.00 a.m at Survey No. 658, Bowrampet (V), Quthbullapur Mandal, Sub-Urban of Hyderabad, Hyderabad, R. R Dist, Telangana and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Approval of financial statements for the year ended 31.03.2016.
2. Appointment of Mr. M. Srinivas Reddy as Director who retires by rotation.
3. Appointment of statutory auditors and fixation of their remuneration.

Signed this Day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

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

Form No. MGT-12**POLLING PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN : L27109TG1995PLC022190
 Name of the Company : Farmax India Limited
 Registered office : Survey No.658, Bowrampet (V), Quthbullapur Mandal,
 Sub-Urban Of Hyderabad, Hyderabad R. R Dist, Telangana 500043.

BALLOT PAPER

Sl. No	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Financial Statements.			
2.	Re-appointment of M.Srinivasa Reddy.			
3.	Appointment of Auditors.			

Place:

Date:

(Signature of the shareholder)

FARMAX INDIA LIMITED

Survey No. 658, Bowrampet (V), Quthbullapur Mandal, Sub-Urban Of Hyderabad, Hyderabad,
Telangana – 500043.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 21st Annual General Meeting of the members to be held on Friday, 30th day of September, 2016 at 09.00 a.m at Survey No. 658, Bowrampet (V), Quthbullapur Mandal, Sub-Urban of Hyderabad, Hyderabad, R. R Dist, and Telangana and at any adjourned meeting thereof.

Shareholders/Proxy's Signature_____

Shareholders/Proxy's full name_____

(In block letters)

Folio No./ Client ID_____

No. of shares held_____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.



Farmax India Limited

ISO 9001:2008 Certified Company

Survey No. 658, Bowrampet Village, Qutubullapur Mandal,
(Sub-urban of Hyderabad) Ranga Reddy Dist.

Telangana- 500043

E-mail: info@farmax.co.in

Visit us at: www.farmax.co.in