

46TH ANNUAL REPORT 2021



Dushadhi

A Government of Kerala undertaking
THE PHARMACEUTICAL CORPORATION (IM) KERALA LTD.
Kuttanellur, Thrissur-680 014

AN ISO 9001:2015 & GMP CERTIFIED COMPANY



Medicinal Plants Demonstration Garden, Kuttanellur



BOARD OF DIRECTORS

- | | |
|--|--------------------|
| 1. Smt. Sobhana George, Ex. MLA | Chairperson |
| 2. Dr. T.K. Hrideek | Managing Director |
| 3. Dr. K.S. Preeya
(Director, Indian Systems of Medicines) | Government Nominee |
| 4. Smt. B.S. Preetha
(Additional Secretary, Finance Department) | Government Nominee |
| 5. Shri. S. Vijayakumar
(Joint Secretary, AYUSH Department) | Government Nominee |
| 6. Shri. K. Padmanabhan | Director |
| 7. Shri. K.F. Davis | Director |
| 8. Shri. T.V. Balan | Director |
| 9. Shri. Kuriakose Plapparambil | Director |

AUDITORS:

M/s. K. Vijayakumar & Co
Chartered Accountants, Thrissur

BANKERS:

1. Punjab National Bank, Kuttanellur, Thrissur
 2. District Treasury, Ayyanthole, Thrissur
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A2.194/93

20-07-2022

NOTICE

Notice is hereby given that the Adjourned 46th Annual General Meeting of Pharmaceutical Corporation (I.M.) Kerala Limited for the Financial Year ended 31st March 2021 will be held on Friday, the 12th August 2022 at 10.30 a.m. at registered office of the company to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Financial Statement of the company comprising of Balance Sheet as at 31st March 2021, Statement of Profit & Loss, Cash Flow Statement and notes thereto for the financial year ended as on that date together with the report of Board of Directors and Auditors' thereon.
2. To consider the declaration of Dividend @ 1.164% on the Paid up Share Capital as on 31.03.2021 of the Company for the year ended 31.03.2021.

By order of the Board
Sd/-
Company Secretary

Note:

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the company.

To

1. The Principal Secretary, AYUSH Department, Govt. of Kerala
2. Smt. Sobhana George Ex-MLA, Chairperson
3. Dr. T.K. Hrideek, Managing Director
4. Dr. K.S. Preeya, Director, ISM – Member
5. Shri. S. Vijayakumar, Joint Secretary, AYUSH Department
6. Shri. Harikumar A.S., Deputy Secretary, AYUSH Department- Member
7. M/s. K. Vijayakumar & Co., Chartered Accountants - Statutory Auditors



DIRECTORS' REPORT

Dear Members,

Your director's have pleasure in presenting the 46th Board's Report of your Company together with the Audited financial statements for the financial year ended 31st March 2021.

FINANCIAL HIGHLIGHTS

PARTICULARS	2020-21	2019-20
Gross Income	15,054.29	15,251.76
Profit Before Interest and Depreciation	2,868.68	3,123.72
Finance Charges	-----	-----
Gross Profit	2,868.68	3,123.72
Provision for Depreciation & Amortization	490.08	437.09
Net Profit Before Exceptional items & Tax	2,378.60	2,686.63
Exceptional and Extraordinary items	-----	-----
Net profit before Tax	2,378.60	2,686.63
Current Tax	730.79	655.42
Relating to earlier years (Net)	147.85	18.80
Deferred Tax	40.37	38.44
Net Profit After Tax	1,540.33	1,973.96

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under report the Gross Income of the company has been decreased to ₹ 15,054.29 Lakhs compared to previous years' Gross Income of ₹ 15,251.76 Lakhs. Your Company's Profit and Loss Account shows a Net Profit of ₹ 1,540.33 Lakhs for the year (Last year Net Profit was ₹ 1,973.96 Lakhs) after providing for all usual, exceptional and necessary provisions namely depreciation, tax etc. Your Directors expect that in the ensuing years the company can make more profit, by expanding business activities.

CHANGE IN NATURE OF BUSINESS, IF ANY

The company is carrying on the business of manufacturing & trading of ayurvedic medicines, treatment in Panchakarma and medicinal plant cultivation. The company has not carried out any other business activity and has no proposal to do any other business.



DIVIDEND

The Board of Directors have proposed for a dividend of ₹ 50 lakhs which is @ 1.164% of the Paid-up Share Capital as on 31/03/2021 subject to approval of shareholders in the ensuing Annual General Meeting.

TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

The net profit of ₹ 1,540.33 Lakhs was transferred to previous years' Reserves & Surplus account. The company has not transferred any amount to any other reserves separately.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Your Company does not have any Subsidiary, Joint Venture or Associate Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unclaimed dividend during the past years, the provisions under the Companies Act regarding the transfer of unclaimed dividend to Investor Education and Protection Fund do not apply to the company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

DIRECTORS AND KMP

At the beginning of the financial year 2020-21, following persons are the directors and KMP of the company.

1.	KAVIL VISWAMBHARAN RAVEENDRAVILASAM	Chairman
2.	UTHAMAN KUNDILA VEETIL	Managing Director
3.	BHOOSHAN VISWANATHAN KRISHNAN	Director
4.	PREETHA SUKUMARAN NAIR	Director
5.	DR. PREEYA KOCHUKRISHNAN SUSEELA	Director
6.	KUNHIRAMAN KARIYAMKOD	Director
7.	SANKARANKUTTY ATHENKAYIL	Director
8.	ANILKUMAR GOPALAKRISHNAPILLAI RAMANKUTTY	Director
9.	MOHANADASAN EDAYAT NEDUMPURATH	Director
10.	VINITHA SANKARAN	Company Secretary
11.	LATHAKUMARI PANJATH MADHAVAN	Chief Finance Officer



During the year under report, on 14/03/2021, Anilkumar Gopalakrishnapillai Ramankutty was resigned from the board.

At the end of the financial year 2020-21, following persons are the directors and KMP of the company:

1	KAVIL VISWAMBHARAN RAVEENDRAVILASAM	Chairman
2	UTHAMAN KUNDILA VEETTIL	Managing Director
3	BHOOSHAN VISWANATHAN KRISHNAN	Director
4	PREETHA SUKUMARAN NAIR	Director
5.	DR. PREEYA KOCHUKRISHNAN SUSEELA	Director
6	KUNHIRAMAN KARIYAMKOD	Director
7	SANKARANKUTTY ATHENKAYIL	Director
8	MOHANADASAN EDAYAT NEDUMPURATH	Director
9	VINITHA SANKARAN	Company Secretary
10	LATHAKUMARI PANJATH MADHAVAN	Chief Finance Officer

As on the date of this report, following persons are the directors and KMP of the company

1	SOBHANA GEORGE, Ex.MLA	Chairperson
2	THODUVAYIL KARUNAKARAN HRIDEEK	Managing Director
3	VIJAYAKUMAR SIVANANDAN	Director
4	PREETHA SUKUMARAN NAIR	Director
5.	DR. PREEYA KOCHUKRISHNAN SUSEELA	Director
6	KUNHIRAMAN KARIYAMKOD	Director
7	SANKARANKUTTY ATHENKAYIL	Director
8	MOHANADASAN EDAYAT NEDUMPURATH	Director
9	VINITHA SANKARAN	Company Secretary
10	LATHAKUMARI PANJATH MADHAVAN	Chief Finance Officer

None of the directors of the company are liable to retirement by rotation at the ensuing AGM.

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-21, the Board of Directors of the company met 8 times as per the provisions of Section 173 of Companies Act, 2013 for which details are given below:

Sl. No.	Date of Board Meeting	Total Number of directors as on the date of meeting	Number of directors attended
1	15.06.2020	9	9
2	07.08.2020	9	9
3	13.08.2020	9	9



4.	26.08.2020	9	8
5.	30.10.2020	9	8
6.	08.01.2021	9	9
7.	15.02.2021	9	7
8.	29.03.2021	8	6

The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013. Details of number of board meetings attended by each director during the financial year 2020-21 are given below:

Sl. No.	Name of Director	No. of Meetings held during the tenure	No. of Meetings Attended
1.	KAVIL VISWAMBHARAN RAVEENDRAVILASAM	8	8
2.	UTHAMAN KUNDILA VEETIL	8	8
3.	DR. PREEYA KOCHUKRISHNAN SUSEELA	8	8
4.	PREETHA SUKUMARAN NAIR	8	8
5.	BHOOSHAN VISWANATHAN KRISHNAN	8	8
6.	MOHANADASAN EDAYAT NEDUMPURATH	8	6
7.	KUNHIRAMAN KARIYAMKOD	8	5
8.	SANKARANKUTTY ATHENKAYIL	8	7
9.	ANILKUMAR GOPALAKRISHNAPILLAI RAMANKUTTY	7	7

AUDIT COMMITTEE

The constitution of the audit committee during the financial year 2020-21 was as follows:

1.	Preetha B.S.	Chairman
2.	Dr. K.S. Preeya	Member
3.	V. Bhooshan	Member
4.	A.S. Kutty	Member

All the members of the Committee have excellent financial and accounting knowledge.

The Audit Committee met one time on 29/03/2021 during the financial year 2020-21. Details of Audit Committee Meeting attended by each member of the committee during the financial year 2020-21 is as follows:



Sl. No.	Name of member	No. of Meeting held during the tenure	No. of Meeting Attended
1.	Preetha B.S.	1	1
2.	Dr. K.S. Preeya	1	1
3.	V. Bhooshan	1	0
4.	A.S. Kutty	1	1

The details of number of members attended at each Audit Committee meeting during the financial year 2020-21 are as follows:

Sl. No.	Date of Meeting	Total number of members as on the date of meeting	Number of members Attended
1.	29-03-2021	4	3

DETAILS OF GENERAL MEETINGS HELD DURING THE FINANCIAL YEAR 2020-21

The 45th Annual General Meeting of the company for the financial year ended on 31st March 2020 was held on 23rd September 2020 at the Registered Office of the company which was adjourned as the Financial Statements could not be adopted in that meeting and the 44th adjourned Annual General Meeting was held and concluded on 20th November 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

- In the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable Accounting Standards except AS 2 had been followed along with proper explanation relating to material departures.
- 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 of the company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- the company being unlisted sub clause (e) of Section 134(5) is not applicable; and
- 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



EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith in accordance with Section 134(3)(a) of the Companies Act 2013 for your kind perusal and information (Annexure - I).

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large and approval of the Board of Directors and shareholders was obtained wherever required. Further all the necessary details of transaction entered with the related parties are attached herewith in Form No. AOC-2 for your kind perusal and information. (Annexure – II).

LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

AUDITORS AND REPORT THEREON

Auditors' Report for the financial year ended 31st March, 2021 issued by the Statutory Auditors of the company M/s. K. Vijaykumar & Co, Chartered Accountants, XIX/525, EDR Complex, Near Town hall, Irinjalakuda - 680 121 is annexed herewith for your kind perusal and information. The Auditors have made certain comments / observation and qualifications in their report, regarding Auditors comments in their report explanation of the Board of Directors for the comments / observation of Auditors in their report has been enclosed herewith as Addendum to Directors' Report.



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Conservation of Energy

1.	The steps taken or impact on conservation of energy	Furnace Oil has been used as fuel in the factory
2.	The steps taken by the company for utilizing alternate sources of energy	Fire wood boiler has been installed and working alternatively for the production of medicines
3.	The capital investment on energy conservation equipment's	₹ 105.23 Lakhs has been invested for the construction of Firewood Boiler House and ₹ 102.43 has been invested for Firewood Boiler.

2. Technology absorption

1.	Efforts in brief made towards Technology Absorption and innovation	Nil
2.	Benefits derived as a result of the above eg. Product improvement, cost reduction, product development, import substitution etc.	Medicines have been produced in large quantity for meeting increased demand and supplied medicines at subsidized rate to general public
3.	(Imported during the last 5 years reckoned from the beginning of the Financial year.)	
	Technology imported	Nil
	Year of import	Nil
	Has Technology been fully absorbed	Nil
	If not fully absorbed, area where this has not taken place, reasons therefore and future plan of action.	Nil

3. Foreign Exchange Earnings and Outgo

1.	Foreign Exchange earned in terms of actual inflows during the year	Nil
2.	Foreign Exchange outgo during the year in terms of actual outflows	Nil

**4. Research and Development (R&D)**

1.	Areas in which R&D carried out by the company	Preclinical studies for the development of Medicines for Arthritis, Thyroid disorders and Obesity have been completed. Steps are being undertaken for conducting the clinical trials of the drugs
2.	Benefits derived as a result of the R&D	New medicines were launched in the market
3.	Future plan of Action	Common facility center for medicinal plants and full-fledged functioning of R&D division with NABL accredited Drug testing laboratory. And also, development of new drugs in needful segments including Nutraceuticals, dietary supplements, cosmetics etc.
4.	Expenditure on R&D	Met from own fund of the company

RISK MANAGEMENT

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

INTERNAL FINANCIAL CONTROLS

The company has adequate internal financial controls commensurate with its size and nature of business as detailed in the Financial Statements.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

It is hereby confirmed that there are no employees of the company who are in receipt of remuneration in excess of the limits specified under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and hence the disclosure of particulars in this regard is not applicable.

Your directors further state that during the year under report, there was no sexual harassment complaints/ cases filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

DEPOSITS

The company has not accepted any deposits during the financial year 2020-21.

SHARES**(a) Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.



(b) Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

(c) Bonus Shares

No Bonus Shares were issued during the year under review.

(d) Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of Section 135 of the Companies Act, 2013 the company has constituted a CSR Committee and during the financial year 2020-21 following are the Directors in the committee.

1.	K.V. Uthaman IFS	Chairman
2.	B.S. Preetha	Member
3.	Bhooshan V.	Member
4.	Dr. K.S. Preeya	Member
5.	A.S. Kutty	Member

The CSR Committee met twice during the financial year 2020-21. The details of number of members attended at each CSR Committee meeting during the financial year 2020-21 are as follows:

Sl. No.	Date of Meeting	Total number of members as on the date of meeting	Number of members Attended
1.	15.02.2021	5	4
2.	29.03.2021	5	5

Details of CSR Committee Meeting attended by each member of the committee during the financial year 2020-21 is as follows:

Sl. No.	Name of member	No. of Meeting held during the tenure	No. of Meeting Attended
1.	K.V. Uthaman IFS	2	2
2.	B.S. Preetha	2	2
3.	Bhooshan V.	2	2
4.	Dr. K.S. Preeya	2	2
5.	A.S. Kutty	2	1



During the financial year ended 31st March 2021, company has spent ₹ 25 lakhs on various CSR activities identified by the CSR committee which is below the statutory requirement of 2% of average net profits of the immediately preceding 3 financial years which amounts to ₹ 58.88 lakhs.

As per the provisions of Section 135 of the Companies Act, 2013 and the rules made there under, the contents of Corporate Social Responsibility policy and the Annual report on CSR activities is disclosed in (Annexure III) attached to this report.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Customers, Banks, Financial Institutions, Government Authorities and Shareholders during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed service of the staff at all levels of the company.

Place: Thrissur
Date: 19.07.2022

By Order of the Board of Directors
Sd/-
SOBHANA GEORGE, EX. MLA
Chairperson (DIN: 09499793)



ADDENDUM TO DIRECTORS' REPORT

REPLIES TO THE COMMENTS OF STATUTORY AUDITORS

AUDITORS' REPORT

1. a. Inventory (AS-2).

The Company would implement a scientific costing system and after that we will be able to follow AS-2 for the valuation of inventories.
- b. Sale of ₹ 6,60,76,976/- for the financial year 2020-21 has been despatched in the financial year 2021-22 and this does not have any impact in the valuation of finished goods as well as the profit of the reported period.
2. Income from the sale of medicinal plant seedlings and usefrects are separately mentioned in Accounts. The value of medicinal and agricultural items raised in our own land, used for production process was very nominal compared with the volume of its business. All items are raw in nature and are not kept in store.
3. Non availability of details of Accounts:
 - i. Suspense Account ₹ 12,06,414/- :- These were the amounts credited in Pass book of Punjab National Bank and SBI for which we could not identify the remitter. Steps will be taken to collect the details and proper entries will be made in next year's Accounts.
 - ii - xi. These were the amount to be recovered from the employees. Recovery will be made from the employees during next year.
4. Security Deposits more than 365 days for ₹ 5,40,101/-.
 - ₹ 2,80,678/- relates to SD remitted for ongoing projects and this will be refunded only after completing the work.
 - Case has been filed against the work done by the contractor, Sri. K.R Antony, Aluva and the Security Deposit for ₹ 2,28,723/- will be refunded after the final decision of the case.
5. Improper classification of head of Accounts: From 01.04.2017 onwards, company has changed the existing Tally software with SAP systems of accounting, and therefore, some classification error has occurred in the initial stage. This will be cleared in the next year Accounts onwards.



6. The difference of the same has been reconciled (Point No 6 in the Independent Auditors' Report)
7. The difference of the same has been reconciled (Point No 7 in the Independent Auditors' Report)
8. The difference of the same has been reconciled (Point No 8 in the Independent Auditors' Report)

By Order of the Board of Directors

Sd/-

SOBHANA GEORGE, EX. MLA

Chairperson (DIN: 09499793)

Place: Thrissur

Date: 19.07.2022

**Annexure – I****FORM NO. MGT 9**
EXTRACT OF ANNUAL RETURN**As on financial year ended on 31.03.2021****Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management & Administration) Rules, 2014****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U24231KL1975SGC002722
2.	Registration Date	08/09/1975
3.	Name of the Company	PHARMACEUTICAL CORPN IM KERALA LTD
4.	Category/Sub-category of the Company	Company limited by shares / State Government company
5.	Address of the Registered Office & Contact details	SHORNUR ROAD, THRISSUR – 680 001, KERALA STATE Phone: 0487-2353550 Web: http://www.oushadhi.org e-mail: acooushadhi@gmail.com
6.	Whether listed company	NO
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	N I L

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.	Manufacture of 'ayurvedic' or 'unani' pharmaceutical preparation	21003	94.86

* As per National Industrial Classification 2008 – Ministry of Statistics and Programme Implementation.



PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.			Nil		

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 [As on 01-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	Nil	3,86,65,960	3,86,65,960	99.99	Nil	4,29,25,960	4,29,25,960	99.99	0.00
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(1): -	Nil	3,86,65,960	3,86,65,960	99.99	Nil	4,29,25,960	4,29,25,960	99.99	0.00
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(2): -	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = A (1) + A (2)	Nil	3,86,65,960	3,86,65,960	99.99	Nil	4,29,25,960	4,29,25,960	99.99	0.00
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	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-



b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	Nil	12	12	00.01	Nil	12	12	00.01	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	Nil	3,86,65,972	3,86,65,972	100.00	Nil	4,29,25,972	4,29,25,972	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Governor of Kerala	3,86,65,960	99.99	-	4,29,25,972	99.99	-	0.00

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Governor of Kerala				
	At the beginning of the year	3,86,65,960	88.97	3,86,65,960	88.97
	Increase/Decrease in Promoters Shareholding during the year.	42,60,000	11.02	4,29,25,960	99.99
	At the end of the year	4,29,25,960	99.99	4,29,25,960	99.99

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	S. VIJAYAKUMAR				
	At the beginning of the year	1	-	1	-
	Increase / Decrease in share holding during the year	-	-	1	-
	At the end of the year	1	-	1	-



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DR. PREEYA KOCHUKRISHNAN SUSEELA – DIRECTOR				
	At the beginning of the year	10	-	10	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	10	-
	At the end of the year	10	-	10	-
2	KAVIL VISWAMBHARAN RAVEENDRAVILASAM – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	UTHAMAN KUNDILA VEETIL – MANAGING DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	PREETHA SUKUMARAN NAIR – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	BHOOSHAN VISWANATHAN KRISHNAN-DIRECTOR				
	At the beginning of the year	1	-	1	-
	Increase/ Decrease of Shareholding during the year	-	-	1	-
	At the end of the year	1	-	1	-
6	KUNHIRAMAN KARIYAMKOD – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	SANKARANKUTTY ATHENKAYIL – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	ANILKUMAR GOPALAKRISHNAPILLAI RAMANKUTTY – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	MOHANADASAN EDAYAT NEDUMPURATH – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10	VINITHA SANKARAN- COMPANY SECRETARY				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-



11	LATHAKUMARI PANJATH MADHAVAN – CFO				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

Note: Directors as on 31.03.2021 have been considered for the purpose of above disclosure.

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
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)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Total Amount
		Uthaman Kundila Veetil
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,89,844.00
	(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 - Bonus	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
5	Sitting fee	-
	Mobile Allowance	19,525.00
	Other Allowance: Medical Reimbursement, TA & DA etc.	2,92,127
	Total (A)	21,01,496.00
	Ceiling as per the Act	N. A

**B. Remuneration to other directors:**

A. Independent Directors					
SL No.	Name	Fee for attending Board / Committee Meetings	TA & DA	Honorarium	Total
None					
Total (1)					Nil
B. Other Non-Executive Directors					
Sl. No.	Name	Honorarium	Others: TA & DA, Fee etc. for attending Board/Committee Meetings	Total	
1.	KAVIL VISWAMBHARAN RAVEENDRAVILASAM	2,40,000.00	7,188.00	2,47,188.00	
2.	A SANKARANKUTTY	-	13,600.00	13,600.00	
3.	EN MOHANDAS	-	2,680.00	2,680.00	
4.	GR ANILKUMAR	-	4,160.00	4,160.00	
5.	PREETHA SUKUMARAN NAIR	-	4,560.00	4,560.00	
Total (B)				2,72,188.00	
Total Managerial Remuneration*				23,73,684.00	
Overall Ceiling as per the Act				N. A.	

* Total Managerial Remuneration being A + B

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Key Managerial Personnel	Total
		Lathakumari Panjath Madhavan (CFO)	Viniitha Sankaran (Company Secretary)	
	Gross salary	-	-	-
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,61,618.00	12,66,365.00	25,27,983.00
	(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	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Other Allowance: Medical Reimbursement, TA & DA etc.	8,270.00	-	8,270.00
	Total	12,69,888.00	12,66,365.00	25,36,253.00



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for the year ending 31st March 2021.

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					

Place: Thrissur
Date: 19.07.2022

By Order of the Board of Directors
Sd/-
SOBHANA GEORGE, EX. MLA
Chairperson (DIN: 09499793)

**ANNEXURE – II****FORM NO. AOC-2**

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

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

Sl. No	Particulars	Details
a.	Name(s) of the related party and nature of relationship	Nil
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts/arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions	
f.	Date of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

Sl. No	Particulars	Details
a.	Name(s) of the related party and nature of relationship	Nil
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts/arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Date of approval by the Board	
f.	Amount paid as advances, if any	

Form shall be signed by the persons who have signed the Board's report

By Order of the Board of Directors

Sd/-

SOBHANA GEORGE, EX. MLA
Chairperson (DIN: 09499793)

Place: Thrissur

Date: 19.07.2022



ANNEXURE –III

Annual Report On Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Act and the Rules made there under]

1. Brief outline of CSR Policy

Corporate Social Responsibility (CSR) is the Company’s commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The company has adopted the Corporate Social Responsibility Policy outlining the various activities in the area of medical camps, sponsorship of sports players, cultivation of medicinal plants and its distribution and other related activities. This policy is developed in the light of the provisions of sec.135 of the Companies Act, 2013 read with rule 6 of Companies (Corporate Social Responsibility) Rules; 2014. The policy aims to act as a guide for the effective implementation of Corporate Social Responsibility activities of the company. The policy will specify list of activities to be undertaken by the company, amount to be spent on such activities, modalities of execution and such other matters which are necessary for the execution of the policy. In every financial year, the company shall spend a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years. The policy, if approved by the CSR Committee shall become the basic document which governs the activities in relation to CSR by the company.

Objectives:

- To contribute something to the society in return as the company’s existence is dependent on the society in which it operates.
- To create a positive impact on society by way of undertaking CSR activities in its true spirit.
- To spend a part of companies resources for the upliftment of weak sections of society.

2. Composition of CSR Committee

The CSR Committee shall consist of the following Directors

- | | |
|---|----------|
| 1. K.V. Uthaman IFS, Managing Director | Chairman |
| 2. Preetha B.S., Additional Secretary, Finance Department | Member |
| 3. Dr. K.S. Preeya, Director, Indian Systems of Medicine | Member |
| 4. Bhooshan V., Additional Secretary, AYUSH Dept. | Member |
| 5. A.S. Kutty | Member |



3. Average Net Profit of the company for the last 3 Financial Years ₹ 2,943.85 LAKHS
4. Prescribed CSR expenditure (2% of the amount as in Item No.3 above) ₹ 58.88 LAKHS
5. Details of CSR Spend during the Financial Year:
- a. Total Amount Spend during the financial year: ₹ 25.00 LAKHS
- b. Total Amount Unspent if any: ₹ 33.88 LAKHS
- c. The manner in which the amount is spend during the financial year is detailed below.

Sl. No.	CSR project or activity identified	Sector in Which Project is covered	Project or Programs State or District	Amount spend on the Projects (₹ in Lakhs)	Amount spend direct or implementing agency
1.	Conducting of medical camps, Sponsorship of Badminton players, Continuing Medical Education Programme and Cultivation of Medicinal Plants and distribution of the same at free of cost to public etc.	Conducting of medical camps, Continuing Medical Education Programme in Tribal areas and Cultivation of Medicinal Plants and distribution of the same at free of cost to public etc.	Kerala	25.00	Direct

6. **Reasons for not spending the CSR Amount:** The CSR Committee could not find activities/programs/projects in line with its CSR Policy and due to paucity of time; the balance amount could not be spent on any activity.
7. The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

By Order of the Board of Directors
Sd/-
SOBHANA GEORGE, EX. MLA
Chairperson (DIN: 09499793)

Place: Thrissur
Date: 19.07.2022



CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY

FOR THE PHARMACEUTICAL CORPORATION (IM) KERALA LIMITED

1. INTRODUCTION:

Corporate Social Responsibility (CSR) is the Company’s commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Pharmaceutical Corporation (I.M.) Kerala Ltd. is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules.

THE PHARMACEUTICAL CORPORATION (I.M.) KERALA LTD. believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise.

2. AIMS & OBJECTIVES

- i. To develop a long-term vision and strategy for The Pharmaceutical Corporation (I.M.) Kerala Ltd. CSR objectives.
- ii. Establish relevance of potential CSR activities to The Pharmaceutical Corporation (I.M.) Kerala Ltd. core business and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.
- iii. The Pharmaceutical Corporation (I.M.) Kerala Ltd shall promote projects that are:
 - (a) Sustainable and create a long-term change
 - (b) Have specific and measurable goals in alignment with the company’s philosophy.
 - (c) Address the most deserving cause or beneficiaries
- iv. To establish process and mechanism for the implementation and monitoring of the CSR activities for the Company.

3. COMMITTEE COMPOSITION

The CSR Committee of the Board shall be composed of at least three (3) Directors. Members of the CSR Committee may be replaced by any other member of the Board.

4. COMMITTEE MEETINGS

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities but not less than quarterly.

5. DUTIES & RESPONSIBILITIES OF CSR COMMITTEE

- i. Review of the CSR activities to be undertaken by THE PHARMACEUTICAL CORPORATION (I.M.) KERALA LTD. The CSR Committee shall be guided by



the list of activities specified in Schedule VII to the Companies Act, 2013 and appended to this Policy as Appendix - 1. Appendix 1 may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act, 2014.

- ii. Formulate and recommend to the Board the CSR activities/programs to be undertaken by the Company.
- iii. Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- iv. Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
- v. Prepare an annual report of the CSR activities undertaken for the company and submit such report to the Board.

6. RESPONSIBILITY OF THE BOARD:

- i. Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee.
- ii. Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy.
- iii. Ensure that CSR activities included in the CSR Policy are undertaken by THE PHARMACEUTICAL CORPORATION (I.M.) KERALA LTD. and that such activities are related to the activities specified in Schedule VII of the Companies Act.
- iv. Ensure disclosure of the contents of the CSR Policy on THE PHARMACEUTICAL CORPORATION (I.M.) KERALA LTD website.
- v. Directors' Report for FY 2013-14 onwards to include:
 - (a) Contents of the CSR Policy and Composition of the CSR committee;
 - (b) An annual report on the CSR in the prescribed format as per Appendix- 3;
 - (c) Reasons for failure (if any) to spend required amount on CSR activities.
- vi. THE PHARMACEUTICAL CORPORATION (I.M.) KERALA LTD. shall undertake the CSR activities directly. The Board may, in future, decide to undertake and implement its CSR activities through a registered trust or registered society or a Section 8 company (Non-profit entity) established by the company. In case the trust, society or a Section 8 company is not established by the company or its holding or subsidiary or associate company, then such an entity will need to have a 3 years track record of undertaking similar projects or programmes.



7. CSR EXPENDITURE

- i. In every financial year, THE PHARMACEUTICAL CORPORATION (I.M.) KERALA LTD. shall spend a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years. Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013. CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities.
- ii. CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- iii. CSR Expenditure shall not include Projects or programs or activities undertaken outside India.
- iv. The surplus arising out of the CSR activities or projects shall not form part of the business profit of THE PHARMACEUTICAL CORPORATION (I.M.) KERALA LTD.

8. CSR ACTIVITIES - PROJECTS

- i. The Pharmaceutical Corporation (I.M.) Kerala Ltd. shall promote CSR activities/ Projects in the field of:
 - (a) Promoting preventive health care - conducting free medical camps in all parts of Kerala and organize continuous medical education Programme for doctors and sponsorship in sports activities.
 - (b) Ensuring environmental sustainability, ecological balance, protection of flora and fauna – to take up cultivation of medicinal plants and distribute the same at free of cost.
- ii. Company may also undertake other CSR activities in line with Schedule VII.
- iii. The CSR activities shall be undertaken in locations within India. Company shall give preference to the local areas and the areas around which Company operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities. However, Company has a multi-state presence and hence may be guided by the requirements of the specific CSR activity/program in determining the locations within India.

9. IMPLEMENTING CSR ACTIVITIES

- i. The Company shall undertake the CSR activities directly.
- ii. The initiatives undertaken may be communicated to the employees through specific awareness campaigns, so as to enable maximum participation.



- iii. The Pharmaceutical Corporation (I.M.) Kerala Ltd may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each company are in a position to report separately on such CSR projects
- iv. The following activities do not qualify as CSR Activities under the Companies Act, 2013:
 - (a) Projects or activities not falling within Schedule VII (Appendix 1);
 - (b) Activities undertaken in pursuance of normal course of business;
 - (c) Projects or programs or activities that benefit only the employees and their families of the company.
 - (d) Direct or indirect contribution to any political party.

10. CSR REPORTING

The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year. The particulars to be stated in the report shall be in the format prescribed in Appendix - 3.

The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of the Company, which statement shall form part of the Boards' Report.

11. WEBSITE DISPLAY

The Pharmaceutical Corporation (I.M.) Kerala Ltd shall display on its website (www.oushadhi.org) the contents of its CSR Policy and other information as may be required to be displayed.

12. REVIEW AND AUDIT

The CSR committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored on a quarterly basis.

THE PHARMACEUTICAL CORPORATION (I.M.) KERALA LTD. shall through its internal controls, monitoring and evaluation systems implement, assess, document and report the impact of its CSR activities/projects.

Records relating to the CSR activities and the CSR Expenditure shall be meticulously maintained. The Records shall be submitted for reporting and audit.

The financial audits of the implementing agencies shall also be done through periodic audits. In this regard, the company may appoint independent external consultants for carrying out such audits.



13. AMENDMENTS

The Policy may be reviewed and amended from time to time.

Place: Thrissur

Date: 19.07.2022

By Order of the Board of Directors

Sd/-

SOBHANA GEORGE, EX. MLA

Chairperson (DIN: 09499793)



APPENDIX – 1

CSR Activities Listed in Schedule VII of the Companies Act, 2013

CSR shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Various activities that can be undertaken in general under CSR are outlined below:

1. eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
2. promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects;
3. promoting gender equality and empowering women; setting up homes and hostels for women and orphans, setting up old age homes, day care centers, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water;
5. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, and paraolympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
10. Rural development projects.

By Order of the Board of Directors

Sd/-

SOBHANA GEORGE, EX. MLA
Chairperson (DIN: 09499793)

Place: Thrissur

Date: 19.07.2022



सत्यमेव जयते

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I) KERALA,
THIRUVANANTHAPURAM**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF THE PHARMACEUTICAL CORPORATION (INDIAN MEDICINES)
KERALA LIMITED, THRISSUR FOR THE YEAR ENDED 31 MARCH 2021.**

The preparation of financial statements of The Pharmaceutical Corporation (Indian Medicines) Kerala Limited, Thrissur for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **12 February 2022**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements of The Pharmaceutical Corporation (Indian Medicines) Kerala Limited, Thrissur for the year ended 31 March 2021 under section 143(6)(a) of the Act.

*For and on behalf of
the Comptroller and Auditor General of India*

Thiruvananthapuram
Dated: 21.03.2022


ANIM CHERIAN
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),
KERALA

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021****1 NATURE OF OPERATION**

The Pharmaceutical Corporation(IM) Kerala Limited, Kuttanellur, Thrissur, popularly known as 'OUSHADHI' is a fully owned Government Company under the administrative control of AYUSH Department, Government of Kerala, engaged in manufacture and sale of ayurvedic medicines. The company has two manufacturing units one at Kuttanellur, Thrissur and the second one at Muttathara, Thiruvananthapuram. The Company has a Ayurvedic Panchakarma hospital at Thrissur, & two redistribution centres at Pariyaram, Kannur and the second one at Pathanapuram, Kollam District. The Company has two sales depots one at Arogyabhavan and the second one in Poojapura. The Company is also engaged in the cultivation of medicinal plants.

2 BASIS OF PREPARATION

The financial statement of the Company has been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has complied with all material aspects specified in the Accounting Standards notified under the Companies (Accounting Standards) Amendment Rules, 2016, the relevant provisions of the Act and rules framed thereunder. The financial statement has been prepared under historical cost convention & on accrual basis, except for employees benefit obligation as provided under the Gratuity Act which is valued at fair value. The accounting policies has been applied consistently by the Company and are consistent with the previous year.

2.1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**a) Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Property, Plant & Equipment

Tangible Assets are stated at cost of acquisition or construction less accumulated

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

Depreciation and impairment losses, if any. Cost includes cost of acquisition and other incidental expenses incurred until the asset is ready to put to use for its intended purpose. Subsequent expenditures related to an item of Property, Plant & Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of Property, Plant & Equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant & Equipment which are carried at cost are recognized in the Statement of Profit and Loss.

c) Depreciation & Amortisation**(i) Depreciation**

Depreciation on Property, Plant & Equipment has been provided on written down value method in order to charge expense for the difference in cost and the residual value, over the estimated useful life at the rate specified in Schedule II of the Companies Act, 2013. On the basis of technical evaluation, the estimated useful life and residual value are reviewed at the end of each reporting period considering the effect of change in estimate on a prospective basis.

The estimate useful lives are as mentioned below:

Type of asset	Useful life
Computer Equipment	
Servers & Network	6 years
Desktops, Laptops etc..	3 years
Furniture & Fixtures	10 years
Office & Electrical Equipment	5 years
Plant and Machinery	
Laboratory equipments	10 years
Motors, Compressors, Printing Machines etc.	15 years
Vessels, Dryers and Furnaces	20 years

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

Vehicles	8 years
Buildings	
Factory building	30 years
Office building	60 years
Bore wells	5 years

Depreciation is not charged on capital work-in-progress until the asset is ready for its intended use.

(ii) Amortisation

Amortisation is recognised on a straight line basis over their estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis. The company has amortised ₹ 7,65,641.10/- on account of KSEB Feeder Line and balance ₹ 68,90,769.92/- has been shown under other non-current asset.

d) Intangible Assets

Intangible assets acquired are measured at cost on initial recognition. Intangible assets are having a carrying value of cost less accumulated amortization and accumulated impairment losses. Intangible assets having finite lives are amortised on straight-line basis over its useful economic life and assessed for impairment, if there is an indication for a chance of impairment. The amortisation period and method are reviewed at the end of each reporting period. The amortisation expense with finite life is charged in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

e) Impairment Of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's value or cash generating units'(CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, amortisation is provided on the revised carrying amount of the assets over its remaining useful life.

During the year the company has reviewed its assets and there is no indication of any asset to be impaired.

f) Leases

Where the lessor effectively retains all the risks and reward over the lease term it is classified as operating lease. The operating lease payments in respect of a non-cancellable leases contract is charged as an expense on due basis.

g) Inventories

1. Raw materials are valued at cost or net realisable value.
2. Work-in-progress are valued at cost.
3. Finished goods are valued at Net realisable value.

Cost comprises of purchase price, cost of conversion and other costs incurred in bringing the inventory to its present location and condition.

The basis of determination of cost is as follows:

a) Raw-Material

Valued at purchase price less 25% towards estimated loss due to drriage and storage.

b) Finished Goods:

Valued at Government selling price less 20% as estimated margin.

c) Work-in-Progress

Valued at Factory cost less 25%.

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021****d) Containers & Packing materials, Spares & Fuel**

Valued at cost

The company is following the above system of valuation of closing stock consistently during the past several years as it is not practically possible to measure the loss occurred due to drilage and storage

h) Revenues

Revenue is recognised to the extent of probable inflow of economic benefits to the company and it can be measured reliably. The following specific recognition criteria must also be matched for revenue recognition.

i) Sale of Goods

Revenue from sale of goods is recognised when the goods are identifiable and billed against confirmed order. The company collects GST on behalf of the Government. Since there is no economic benefits inflow, they are excluded from revenue. Sales are net of returns. Sale of ₹ 6,60,76,976/- for the financial year 2020-21 has been despatched in the financial year 2021-22.

ii. Income From Services

Income from service is recognised when the service has been rendered to the customer.

iii. Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

iv. Income from Medicinal Plants

Since no proper records are maintained for the yield from medicinal plants and other agricultural products, they are not disclosed as income; currently the yields & proceeds are used for the manufacture of medicines and allied products. Although an income of ₹ 1,84,131/- on account of pariyaram medicinal plant cultivation is separately disclosed under other income.

I) Employee Benefits**Short Term Employee Benefits**

Short term employee benefits such as salary, wages are recognised as an expense unless it requires being included in the cost of assets, or as liability if the amount

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

of short term benefits exceeds the amount actually paid or spent, or as an asset if the amount paid exceeds the amount of short term benefits. Liabilities of salaries and wages, includes non-monetary benefits and accumulating leave balance in respect of employees' up to the reporting period. The corresponding liabilities & expenses are recognised on the basis of amounts expected to be paid when the liabilities are settled. The company has also recognised liability & expense for bonus, Ex- gratia, Festival allowance & pay revision arrear which is contractually obliged or when there is a past practice that has created a constructive obligation

Defined Contribution Plan

Provident fund: The Company makes defined contributions to employee provident fund and employee pension schemes administered by government organisations set up under the applicable statute. The contributions are charged to the statement of profit and loss in the year when the contributions are due.

Defined Benefit Plan (Gratuity Obligation)

- i) The obligation in respect of defined benefit plans (Gratuity), which is provided on the basis of an actuarial valuation at the end of each financial year.
- ii) In respect of Gratuity being Post Retirement benefits, re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets is reflected immediately in the Balance Sheet.
- iii) Short term compensated absences are provided for based on estimates.
- iv) Actuarial gain/loss is immediately taken to statement of profit and loss and is not deferred.

j) Leave Benefit Plan

The Company has Group Leave Encashment Scheme with the LIC. The accumulated leave upto 300 days is encashable at the time of retirement. The annual contribution to LIC is treated as expenditure and debited under the Employee Benefit Expenses.

k) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

long term investments. Any inter class transfer should be with the approval of the board and as per RBI regulation. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Quoted current investments for each category is valued at cost or market value whichever is lower. Unquoted investments in the units of mutual fund in the nature of current investment are also carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset which takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

m) Tax On Income**i. Income Tax**

Tax expenses comprise of Current Tax and Deferred Tax. Current Tax is measured at the amount of Income Tax expected to be paid to the taxation authorities using applicable tax rate in accordance with the Income Tax Act, 1961.

ii. Deferred Tax

Deferred Tax is the reflection of impact of current year timing difference between the taxable income and the income recognised in the profit and loss statement and the reversal of timing difference of earlier years. Deferred Tax is measured based on the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred Tax Liability is measured for all timing differences. Deferred Tax Asset is recognised and carried forward only to the extent it is reasonably certain that there will be sufficient future taxable income to recover the Deferred Tax Asset.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that the sufficient future taxable income will be available.

n) Earnings Per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period should be adjusted for the effects of all dilutive potential equity shares. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period.

o) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

p) Derivative Instruments

As per the ICAI announcements, accounting for derivative contracts, other than those covered under AS 11, are marked to market on the portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored. During the year the company has not entered into any such transactions.

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021****q) Segment Reporting**

The company is primarily engaged in manufacturing and sale of medicines through Public Institutions, Agencies & District Medical Officers. It also runs a Ayurvedic Panchakarma Hospital for the Ayurvedic medical treatment. The total income and total assets from Panchakarma does not constitute 10% of the total revenue/assets of the company hence segment reporting is not made applicable.

r) Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprises of balance with bank, cash on hand, short term investments with an original maturity of three months or less & also contains fixed deposits held with District Treasury

s) Insurance Claims

Insurance claims are accrued on the basis of claims admitted and/or to the extent there is no uncertainty in receiving the claims. The company re-assesses the claims made at each reporting period for recoverability. As on the date of the Balance sheet no insurance claim is pending with the company.

t) Government Grants

Government grants available to the enterprise are considered for inclusion in accounts: where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and where such benefits has been earned by the enterprise and it is reasonably certain that the ultimate collection will be made. Where the government grants are of the nature of promoters' contribution, i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected in respect thereof, the grants are treated as Equity Share Capital.

The Company is owned entirely by State Government and is receiving the support in form of grants and capital contributions from the State Government over the years. The entire benefit is passed on to the beneficiaries hence it is not treated as income under AS 12.

The grants received by the company from various government department for the cultivation of medicinal plants has been recognised as income to the extent of grants



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

utilised and the balance has been shown as current liability and its corresponding expense has been also disclosed.

As per our report of even date attached
For K.VIJAYAKUMAR & Co.
Firm Regn No.004712S

For and on behalf of the Board of Directors
The Pharmaceutical Corpn(I M) Kerala Ltd

Sd/-
Subin V R, B.Com., FCA. DISA
Partner
Membership No.221632
Chartered Accountants

Sd/-
Reghunandhanan V.M.
Managing Director (I/C)
(DIN: 09468599)

Sd/-
Sobhana George Ex. MLA
Chairperson
(DIN: 09499793)

Place : Thrissur
Date : 12.02.2022

Sd/-
S. Vinitha
Company Secretary

Sd/-
P.M. Lathakumari
Chief Finance Officer



(CIN: U24231KL1975SGC002722)

BALANCE SHEET AS AT 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

Particulars		Notes No.	As at 31 st March 2021	As at 31 st March 2020
EQUITY AND LIABILITIES				
1	Shareholders Funds			
	(a) Share Capital	3	4292.60	3866.60
	(b) Reserves & Surplus	4	14385.64	12945.31
	(c) Money received against share warrants		-	-
			18678.23	16811.91
2	Share Application Money Pending Allotment	5	-	301.00
3	Non Current Liabilities			
	(a) Long Term Borrowings		-	-
	(b) Deferred Tax Liabilities(Net)		-	-
	(c) Other Long Term Liabilities	6	465.37	394.37
	(d) Long Term Provisions		-	-
			465.37	394.37
4	Current Liabilities			
	(a) Short Term Borrowings		-	-
	(b) Trade Payables	7	2426.44	2629.93
	(c) Other Current Liabilities	8	2921.64	2227.11
	(d) Short Term Provisions	9	982.81	836.98
			6330.89	5694.02
	TOTAL (1+2+3+4)		25474.49	23201.30
ASSETS				
1	Non Current Assets			
	(a) Property, Plant & Equipment			
	(i) Tangible Assets	10	3021.83	3101.43
	(ii) Intangible Assets	10	7.84	15.37
	(iii) Capital Work In Progress	11	624.48	850.86
	(iv) Intangible assets under development		-	-
	(b) Non Current Investments	12	0.30	0.30
	(c) Deferred Tax Assets (Net)	13	131.49	91.12
	(d) Long Term Loans and Advances	14	82.05	84.94
	(e) Other Non Current Assets	15	68.91	-
			3936.90	4144.02
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	16	2911.20	2180.89
	(c) Trade Receivables	17	2436.21	3303.42
	(d) Cash and Cash Equivalents	18	14843.77	12299.98
	(e) Short Term Loans and Advances	19	939.07	901.64
	(f) Other Current Assets	20	407.35	371.34
			21537.60	19057.27
	TOTAL (1+2)		25474.49	23201.30
Summary of significant accounting policies			2.1	
See accompanying notes forming integral part of the financial statement.				

As per our report of even date attached
For K.VIJAYAKUMAR & Co.
Firm Regn No.004712S

For and on behalf of the Board of Directors
The Pharmaceutical Corpn(I M) Kerala Ltd

Sd/-
Subin V R, B.Com., FCA. DISA
Partner
Membership No.221632
Chartered Accountants

Sd/-
Reghunandhanan V.M.
Managing Director (I/C)
(DIN: 09468599)

Sd/-
Sobhana George Ex. MLA
Chairperson
(DIN: 09499793)

Place : Thrissur
Date : 12.02.2022

Sd/-
S. Viniitha
Company Secretary

Sd/-
P.M. Lathakumari
Chief Finance Officer



(CIN:U24231KL1975SGC002722)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

Particulars		Note No	Year Ended 31st March 2021	Year Ended 31st March 2020
I	Revenue From Operations	21	14133.49	14467.10
II	Other Income	22	920.80	784.66
III	Total Revenue (I + II)		15054.29	15251.76
IV	Expenses:			
	a. Cost of Materials Consumed	23	8795.28	7918.50
	b. Purchases of stock in trade		-	-
	c. Changes in inventories of finished goods, work-in-progress and Stock-in-trade	24	(776.12)	146.66
	d. Employee Benefits Expense	25	2529.20	2399.60
	e. Finance Costs		-	-
	f. Depreciation and amortisation expense	26	490.08	437.09
	g. Other Expenses	27	1637.25	1663.26
	Total Expenses		12675.69	12565.12
V	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		2378.60	2686.63
VI	Exceptional Items		-	-
VII	Profit/(Loss) before extraordinary items and tax (V - VI)		2378.60	2686.63
VIII	Extraordinary Items		-	-
IX	Profit/ (Loss) before Tax (VII - VIII)		2378.60	2686.63
X	Tax Expenses			
	1 Current Tax	28	730.79	655.42
	2 Relating to earlier years (Net)		147.85	18.80
	3 Deferred Tax		40.37	38.44
XI	Profit/(Loss) for the year from continuing operations (IX - X)		1540.33	1973.96
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expenses of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV	Profit for the year (XI + XIV)		1540.33	1973.96
XVI.	Earnings per Equity Share:			
	1 Basic	30	3.73	5.11
	2 Diluted		3.73	4.74
	3 Nominal value per Equity Share (₹)		10.00	10.00
Summary of significant accounting policies		2.1		
See accompanying notes forming integral part of the financial statement.				

As per our report of even date attached
For K.VIJAYAKUMAR & Co.
Firm Regn No.004712S

For and on behalf of the Board of Directors
The Pharmaceutical Corpn(I M) Kerala Ltd

Sd/-
Subin V R, B.Com., FCA. DISA
Partner
Membership No.221632
Chartered Accountants

Sd/-
Reghunandhanan V.M.
Managing Director (I/C)
(DIN: 09468599)

Sd/-
Sobhana George Ex. MLA
Chairperson
(DIN: 09499793)

Place : Thrissur
Date : 12.02.2022

Sd/-
S. Vinitha
Company Secretary

Sd/-
P.M. Lathakumari
Chief Finance Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

Particulars	As at 31 st March		As at 31 st March	
	2021		2020	
A. Cash Flow From Operating Activities:				
Net Profit Before Tax and extraordinary items as per Statement of Profit and Loss Account		2378.60		2686.63
Adjustment for:				
Add/Less: Depreciation	490.08		437.09	
Interest income	(839.41)	(349.33)	(721.52)	(284.42)
Operating Profit/Loss before working capital changes		2029.27		2402.21
Adjustment for:				
Inventories	(730.31)		168.25	
Trade Receivables	867.22		(59.64)	
Short Term Loans and Advances	(37.43)		79.65	
Other Current assets	(36.01)		(3.25)	
Long Term Loans and advances	2.89		(36.44)	
Trade Payables	(203.49)		(60.17)	
Other Current Liabilities	694.53		(1393.39)	
Short Term Provisions	145.84		(253.48)	
Long Term Provisions	-		-	
Deferred Tax Assets (Net)	(40.37)	662.86	38.44	(1520.03)
Cash generated from operations		2692.13		882.18
Add/Less: Provision for Current Direct Taxes	(730.79)		(655.42)	
Provision for Direct Taxes Relating to earlier years	(147.85)		(18.80)	
Provision for Deferred Taxes	40.37	(838.27)	(38.44)	(712.67)
Cash Flow before extraordinary items		1853.86		169.51
Add: Extraordinary items		-		-
Net Cash used in/ from operating activities		1853.86		169.51
B. Cash Flow From Investing Activities:				
Acquisition of Fixed Assets		(494.22)		(902.80)
Disposal of Fixed Assets		91.27		-
Non Current Assets		(68.91)		-
Capital Work-in-Progress		226.38		(106.22)
Interest Received		839.41		721.52
Net Cash used in/from investing activities		593.93		(287.51)



C. Cash Flow From Financing Activities:		
Proceeds from issuance of share capital	426.00	-
Share Application Money Pending Allotment	(301.00)	167.60
Proceeds from Long Term Borrowings	-	-
Proposed Dividend	(100.00)	(50.00)
Proceeds from Other Long Term Liabilities	71.00	87.22
Net cash received from/used in financing activities	96.00	204.81
Net decrease/increase in cash and cash equivalents	2543.79	86.81
Cash and Cash equivalents as at the beginning of the year	12299.98	12213.17
Cash and Cash equivalents as at the end of the year	14843.77	12299.98
Break Up For Cash and Cash Equivalents		
Cash On Hand	2.33	2.54
Balance With Banks In Current Accounts	2506.61	2722.45
Balance With Banks In Fixed Deposit	10309.19	7109.19
Stamps on Hand	0.08	0.03
Balance With Banks In Other Accounts	2025.57	2465.78
	14843.77	12299.98

As per our report of even date attached
For K.VIJAYAKUMAR & Co.
Firm Regn No.004712S

For and on behalf of the Board of Directors
The Pharmaceutical Corpn(I M) Kerala Ltd

Sd/-
Subin V R, B.Com., FCA. DISA
Partner
Membership No.221632
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Sd/-
Reghunandhanan V.M.
Managing Director (I/C)
(DIN: 09468599)

Sd/-
Sobhana George Ex. MLA
Chairperson
(DIN: 09499793)

Place : Thrissur
Date : 12.02.2022

Sd/-
S. Vinitha
Company Secretary

Sd/-
P.M. Lathakumari
Chief Finance Officer



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

3. Statement of changes in Equity

Particulars	Par Value each (₹)	31 st March 2021		31 st March 2020	
		No. of shares	Amount	No. of shares	Amount
Authorised Share Capital					
Equity Share Capital	10	500.00	5000.00	500.00	5000.00
Issued, Subscribed and Fully Paid up Share Capital :					
Equity Share Capital	10	429.26	4292.60	386.66	3866.60
Total		429.26	4292.60	386.66	3866.60

3.1 Reconciliation of number and amount of shares outstanding at the beginning and at the end of the year:-

Equity Shares:-

Particulars	31 st March 2021		31 st March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	386.66	3866.60	386.66	3866.60
Issued during the year*	42.60	426.00	-	-
Outstanding at the end of the year	429.26	4292.60	386.66	3866.60

* Shares amounting to ₹ 4,26,00,000/- (42,60,000 shares) were issued to Governor of Kerala.

3.2 Terms / Rights Attached to Equity Shares

The company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

Final dividend of ₹ 50 Lakhs @ 1.164 % of Paid up Share Capital (Previous Year ₹ 50 Lakhs @1.293% on Paid up Share Capital) proposed by the Board is subject to approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of shareholders holding more than 5% shares in the Company as at the end of the year:

Particulars	31 st March 2021		31 st March 2020	
	No. of shares	% Holding	No. of shares	% Holding
Governor of Kerala	429.26	99.99	386.66	99.99
Total	429.26	99.99	386.66	99.99



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

The directors are holding 12 numbers of shares in their individual names whose beneficial owner is Government of Kerala. 10 Shares - Indian System of Medicine, 1 Share - Deputy Secretary Ayush & 1 Share - Director Ayush.

3.4 There were neither bonus issue nor shares issued in pursuant of a contract in consideration other than cash during the preceding five years.

4. Reserves and Surplus	31st March 2021		31st March 2020	
Capital Reserve		6.98		6.98
Surplus in the Statement of Profit and Loss				
Balance as per last financial statement:	12938.33		11014.37	
Add: Profit for the current year	1540.33		1973.96	
Less: Proposed Dividend*	100.00		50.00	
Less: Transfer from accumulated depreciation on the revised WDV	-	14378.66	-	12938.33
Total		14385.64		12945.31

*Proposed Dividend includes ₹ 50 Lakhs relating to FY 2019-20 and ₹ 50 Lakhs relating to FY 2020-21.

5. Share Application Money Pending Allotment	31st March 2021	31st March 2020
Share application money pending allotment	-	301.00
Total	-	301.00
Number of equity shares proposed to be issued (Nos)	-	30.10

5.1. No provision has been made in the accounts for the interest on share application money where it is not allotted within 60 days as per Section 42(6) of the Companies Act, 2013, as there is no claim from the Government of Kerala in this regard

5.2. The total share application money received from the State Government vide G.O.(Rt.) No.435/2017/AYUSH dated 22.09.2017 & G.O.(RT No.143/2018/AYUSH) dated 19.03.2018 was ₹ 3 Crores and further ₹ 1 lakh vide G.O.(Rt.) No. 43/2019/Ayush dated 29.01.2019 which is shown as application money pending for allotment in the FY 2019-20 has been allotted in the current year.

6. Other Long Term Liabilities	Non current		Current	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Security Deposits	449.82	378.82	480.98	394.04
Other Liabilities	15.55	15.55	-	-
Total	465.37	394.37	480.98	394.04
The above amount includes:				
Secured amount	449.82	378.82	480.98	394.04
Amount disclosed under the head "Other Current Liabilities"(note 8)	-	-	(480.98)	(394.04)
Total	449.82	378.82	-	-



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

7.Trade Payables*	31st March 2021	31st March 2020
(i) Total Outstanding dues of MSME	122.32	80.69
(ii) Total Outstanding dues of Creditors other than MSME	2304.12	2549.24
Total	2426.44	2629.93

*Balances are subject to confirmation

Note 7.1: Disclosures required under Section 22 of The Micro, Small & Medium Enterprises Development Act, 2006

Particulars	31st March 2021	31st March 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	122.32	80.69
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

8. Other Current Liabilities	31st March 2021	31st March 2020
Application money received for allotment of securities and due for refund	-	-
Advance from Customers*	1857.94	1330.33
Other Payables	17.73	9.57
Employee expenses payable	436.42	366.25
Other Liabilities**	609.55	520.96
Total	2921.64	2227.11

*Advance from customers includes balances due for more than 365 days amounting to ₹ 161.58 lakhs (Previous year ₹ 131.19 lakhs)

**Other liabilities include current portion of EMD and SD (disclosed in note 6)

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

9. Short Term Provisions	31st March 2021	31st March 2020
(a) Provision for employee benefits		
Pay Revision Arrear	152.03	-
Group Leave Encashment	-	10.00
	152.03	10.00
(b) Other Provisions		
Taxation (net) (FY-2018-19)	-	121.55
Taxation (net) (FY-2019-20)	-	655.42
Taxation (net) (FY-2020-21)	730.79	-
Proposed Dividend (FY 2018-19)	-	50.00
Proposed Dividend (FY 2019-20)	50.00	-
Proposed Dividend (FY 2020-21)	50.00	-
	830.79	826.98
Total	982.81	836.98



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

10. Property, Plant & Equipment:		Gross Block						Depreciation Block			Net Block	
		As on 01-04-2020	Additions	Total	Disposals	As on 31-03-2021	Depn. up to 01-04-2020	Depn. for the year	Disposals	Depn. up to 31-03-2021	As on 31-03-2021	As on 31-03-2020
Tangible Assets												
1	Land	3.06	-	3.06	-	3.06	-	-	-	-	3.06	3.06
2	Building	4023.40	227.45	4250.85	-	4250.85	1713.31	243.64	1956.95	2293.90	2310.10	2310.10
3	Data Processing Machine	126.72	10.87	137.60	-	137.60	116.19	6.42	122.61	14.98	10.54	10.54
4	Furniture & Fittings	127.57	5.92	133.49	-	133.49	91.20	9.54	100.74	32.75	36.37	36.37
5	Motor Vehicles	144.39	0.85	145.24	-	145.24	103.69	12.08	115.76	29.47	40.70	40.70
6	Office Equipment	90.07	42.03	132.10	0.93	131.17	73.64	23.18	96.82	34.35	16.43	16.43
7	Plant and Machinery	1592.83	202.65	1795.47	-	1795.47	1150.70	148.49	1299.19	496.29	442.13	442.13
8	Laboratory Equipment	33.27	3.53	36.81	-	36.81	25.45	2.25	27.70	9.11	7.82	7.82
9	Electrical Equipment	277.06	0.93	277.99	90.35	187.64	42.78	37.39	79.72	107.92	234.29	234.29
10	Library	0.23	-	0.23	-	0.23	0.23	-	0.23	-	-	-
11	Live Stock	0.07	-	0.07	-	0.07	0.07	-	0.07	-	-	-
Total (A)		6418.67	494.22	6912.89	91.27	6821.62	3317.24	483.00	3799.79	3021.83	3101.43	
Intangible Assets												
1	Data Processing Machine	157.15	-	157.15	-	157.15	141.78	7.53	149.31	7.84	15.37	15.37
Total (B)		157.15	-	157.15	-	157.15	141.78	7.53	149.31	7.84	15.37	
Grand Total (A+B)		6575.82	494.22	7070.04	91.27	6978.77	3459.02	490.53	3949.10	3029.67	3116.80	
Previous Year		5673.02	902.80	6575.82	-	6575.82	3021.93	437.09	3459.02	3116.80	2651.09	

* Out of the 20.42 acres of land holdings owned by the Company, 8.52 acres of land are in the name of SKVA Co-operative Pharmacy & Stores Limited No.4318 and its title deeds are yet to be transferred in the name of the Company. However, possession certificate has already been received from the Revenue Authorities. The value of the same is included in the landed properties of the Company.

**The head building includes one building costing ₹ 808.21 lakhs against which grant of ₹ 100 lakhs received by R & D Society was utilised for construction by the company. Hence the net value of ₹ 708.21 lakhs is only included in the 'Building'.

** The Company has constructed a building in the lease hold land situated in the Kadannappilly Village, Kannur District. Even though the lease period of this land is expired on 01.01.2006, the management has taken the view on the useful life of the building to be 60 years, expecting that the Company will get renewal of lease period from the Government of Kerala.



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

11. Capital Work In Progress	31st March 2021	31st March 2020
Factory and hospital building	624.48	850.86
Total	624.48	850.86
Finished Goods amounting to ₹ 2,25,54,111.35/-, CCTV System KUT amounting to ₹ 35,61,665.39/-, Racking system amounting to ₹ 1,35,90,013.45/-, Conveyor Belt P amounting to ₹ 25,87,902.54/-, ETP Muttathara amounting to ₹ 12,60,538.19/- were capitalized during the FY 2020-21.		
12. Non Current Investments	31st March 2021	31st March 2020
Long term non trade investments (Unquoted)*	0.30	0.30
Total	0.30	0.30
*Long term non trade investments (Unquoted) includes Investment in Care Kerala and Siddha amounting to ₹ 30,000 & ₹ 255 respectively.		
13. Deferred Tax Assets (Net)	31st March 2021	31st March 2020
Opening Balance of Deferred Tax Assets	91.12	129.56
Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting.	40.37	(9.89)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	(28.55)
Gross deferred tax Asset	131.49	91.12
Deferred tax liability		
Impact of unabsorbed losses/depreciation of the previous years brought forward	-	-
Net Deferred Tax Asset	131.49	91.12
14. Long Term Loans and Advances*	31st March 2021	31st March 2020
Security deposits**	82.05	84.94
Total	82.05	84.94
Loans and advances considered good-Secured	81.39	84.28
Loans and advances considered -Doubtful	0.66	0.66
Amounts due by firms or private companies in which any director is a partner or a director or a member.	-	-
Total	82.05	84.94
*Balance subject to confirmation		
**Security deposits includes ₹ 2,29,998/- deposited with the Labour Commissioner against the petition filed towards gratuity claim.		



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

15. Other Non Current Assets	31st March 2021	31st March 2020
KSEB Dedicated Feeder Line	68.91	-
Total	68.91	-

15.1. KSEB Dedicated Feeder Line has to be amortised over a period of 10 years commencing from FY 2020-21. The company has amortised ₹ 7,65,641.10/- during this year and balance amount of ₹ 68,90,769.92/- has been shown under other non current asset.

16. Inventories	31st March 2021	31st March 2020
Raw materials	319.96	391.53
Work-in-progress	355.00	248.34
Finished goods	1976.98	1307.51
Containers & packing materials	137.04	120.14
Furnace oil	19.00	16.15
Spares	103.23	97.21
Total	2911.20	2180.89

Refer Note 2.1(g) for mode of valuation of Inventories.

16.1 Physical verification of stock as on 31.03.2021 was conducted by the management and the value of the physical stock is considered for the preparation of this financial statement. Since the book stocks are not correctly ascertainable, it is not possible to state the discrepancies between physical and book stocks for the current year.

Particulars of Stock	31st March 2021	31st March 2020
Finished Goods:		
Excess	Not Ascertainable	Not Ascertainable
Shortage	"	"
Raw Materials:		
Excess	"	"
Shortage	"	"



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

17. Trade Receivables*	31st March 2021		31st March 2020	
Debts outstanding				
Secured, considered good				
Government	1714.67		2370.47	
Non-Government	93.15		112.80	
Unsecured, considered good	0.63		0.63	
Non-Government	628.39	2436.84	820.15	3304.06
Debts outstanding for a period exceeding 6 months				
Secured, considered good		313.20		280.33
Unsecured, considered good		104.13		65.86
Debts outstanding for a period exceeding 6 months - unsecured		-		-
Less: Provision for doubtful debts		(0.63)		(0.63)
Debts due by firms or private companies respectively in which any director is a partner or a director or a member				
Total		2436.21		3303.42

*Balances are subject to confirmation.

Age analysis of debtors for the current year is not possible because the current accounting software in use is not so designed to retrieve the required data.

18. Cash and Bank Balances	31st March 2021	31st March 2020
Cash and cash equivalents		
(a) Balance With banks	2506.61	2722.45
(b) Cash on hand	2.33	2.54
(c) Stamps on hand	0.08	0.03
(d) Other Bank Balances		
i. District Treasury SB A/c	2007.68	2397.89
ii. Deposits with maturity of more than three months		
Balances with the bank to the extent held as security against borrowings, guarantees and other commitments.*	17.89	67.89
Fixed Deposit with District Treasury	10309.19	7109.19
Total	14843.77	12299.98

*Fixed deposits receipts are lienmarked to various customers as security for participating in tender and original lienmarked deposit receipts are in hands of customers.



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

19. Short Term Loans And Advances*	31st March 2021	31st March 2020
i. Loans and advances to related parties		
Loans and Advances to State Government	-	-
ii. Others		
Prepaid income tax	759.16	740.53
Staff Advance	8.55	0.00
Advance towards suppliers	9.63	0.31
Other advances	1.99	1.71
Advances recoverable in cash or in kind or for value to be received***	159.76	159.09
Total	939.07	901.64
(i)Secured, considered good	920.90	901.33
(ii)Unsecured, considered good	18.17	0.31
Amounts due by firms or private companies in which any director is a partner or a director or a member.		
Total	939.07	901.64
*Balances are subject to confirmation.		
***The company has formed a Society in the name "Oushadhi Research and Development Society" during the year 2010 to avail the AYUSH grant of ₹ 5 crores from Government of India. The balance amount of the project is met by Oushadhi. Accordingly, an amount of ₹ 251.50 lakhs is transferred from the Punjab National Bank Current account to R&D Society's Bank Account for the payment of assets purchased by Society. In the year 2020 ₹ 93 lakhs was reimbursed to Oushadhi. The balance amount of ₹ 159.76 lakhs as on 31.03.2021 is shown under "Advance recoverable in cash or kind".		
20. Other Current Assets	31st March 2021	31st March 2020
Interest accrued on other Deposits	1.56	12.25
Interest accrued on bank and treasury deposits	157.42	194.30
Income tax refunds due	100.35	7.74
Others	148.03	157.06
Total	407.35	371.34
21. Revenue from Operations	31st March 2021	31st March 2020
Sale of products	13989.50	14307.54
Sale of services - Panchakarma proceeds	143.98	159.56
Revenue From Operations	14133.49	14467.10



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

22. Other Income	31st March 2021	31st March 2020
Interest on Security Deposit with KSEB	1.01	0.75
Interest on bank deposit	67.87	125.01
Interest on Treasury Deposit	770.52	595.76
Rent Received	4.40	5.30
Excess provision written back	-	1.75
Grant in Aid-Receipt	22.00	-
Miscellaneous income	55.00	56.09
Total	920.80	784.66
23. Cost of Materials Consumed	31st March 2021	31st March 2020
Opening stock	625.04	646.62
Purchases	8746.07	7894.45
Direct expenses	3.40	2.47
	9374.50	8543.54
Less: Closing stock	579.22	625.04
Cost of Materials Consumed	8795.28	7918.50
Since stock records are not giving proper consumption of goods, consumption and work in progress are arrived on the basis of closing stock physically verified.		
24. Changes in Inventories of Finished Goods and Work-in-progress	31st March 2021	31st March 2020
Opening Stock		
Finished goods	1307.51	1428.39
Work in progress	248.34	274.13
	1555.85	1702.52
Closing stock		
Finished goods	1976.98	1307.51
Work in progress	355.00	248.34
	2331.97	1555.85
Changes in inventories of finished goods and work-in-progress	(776.12)	146.66
25. Employee Benefits Expenses	31st March 2021	31st March 2020
Salaries, wages , allowances and bonus*	2259.28	2146.67
Contribution to provident and other funds	136.70	132.82
Staff welfare expenses	133.21	120.11
Total	2529.20	2399.60

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

The supply of free medicines to staff, directors and voluntary organizations during the year is ₹ 11.78 lakhs (Previous year ₹ 14.11 lakhs).

As per the G.O.(P) No.27/2021/Fin. dated 10.02.2021 the salary of State Government employees has been revised from 01.07.2019. The provision for additional salary due on account of the above G.O as on 31.03.2021 amounting to ₹ 1,52,02,665/- .

26. Depreciation and Amortisation Expenses	31st March 2021	31st March 2020
Depreciation on Tangible Assets	482.55	420.12
Amortisation on Intangible Assets	7.53	16.97
Total	490.08	437.09

27. Other Expenses	31st March 2021		31st March 2020	
Power and fuel		156.93		165.65
Rent		7.48		14.48
Rates and taxes		96.30		81.76
Repairs & maintenance				
Plant and Machinery	119.02		68.51	
Building	30.86		80.24	
Vehicles	30.82		26.87	
Others	61.63	242.34	49.30	224.92
Effluent treatment plant expenses		54.15		30.99
Travelling and conveyance		30.25		49.02
Advertisement charges		182.16		261.35
Hired transport		146.18		136.11
Sales promotion expenses		410.85		426.60
Carriage outwards		51.93		73.43
Postage and telephone		14.22		14.24
Printing and stationery		15.37		20.43
Insurance		9.68		10.02
Bank charges and commission		0.38		0.68
Payments to Auditors as:				
For Statutory Audit	1.25		1.25	
For Tax Audit	0.25		0.25	
For GST Audit	0.40		0.40	
For Internal Audit	2.94		2.94	
For Cost Audit	0.50		0.50	
For Taxation matters	-		-	



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

For Company law matters	-		-	
For Management services	-		-	
For Other services	-		-	
For Reimbursement of expenses	0.30	5.64	0.25	5.59
Legal and Professional charges		10.18		34.89
CSR expenses		25.00		25.00
Medicinal plant cultivation expenses		4.34		18.60
Office Expenses		37.76		26.55
EDP expenses		22.97		19.18
R&D laboratory expenses		8.85		10.93
Grant In Aid-Expense		27.55		-
General charges		76.75		12.85
Total		1637.25		1663.26

28. Current Tax

Particulars	31 st March 2021	31 st March 2020
Current Tax		
In respect of the current year	730.79	655.42
Deferred tax	(40.37)	(38.44)
Total Income tax expense recognised during the year	690.42	616.98
The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:		
Current Tax:		
Profit before tax	2378.60	2686.63
Enacted income tax rate	29.12%	25.17%
Computed expected tax expense	692.65	676.23
Effect of :		
Expenses that are not deductible in determining taxable profit	-	-
Items of restatement	-	-
Change in enacted income tax rate	(4.41)	13.71
Adjustments recognised in the current year in relation to prior years	-	-
Others	42.55	(34.51)
Income tax expense recognised in the profit or loss	730.79	655.42
Deferred Tax:		
Relating to the origination and reversal of temporary differences (see below)	(40.37)	(38.44)
Tax expense reported in the Statement of Profit and Loss	690.42	616.98



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

Deferred tax		
Particulars	31 st March 2021	31 st March 2020
Opening balance	91.12	129.56
MAT credit entitlement / (Utilised)	-	-
Recognised in Profit or loss	-	-
Property, plant and equipment	(40.37)	(9.89)
Defined benefit obligation	-	-
Expenses disallowed under Income Tax Act, 1961	-	(28.55)
Closing balance	131.49	91.12

29. Additional Information

29.1 Research and development Expenses - AS 26

Research and Development expenses are related to the testing of medicines and incidental expenses and therefore charged to the Profit & Loss account in the year it is incurred. The amount debited to profit & loss account during the year is ₹ 8,85,150.54 /-.

29.2 Capital Work In Progress - AS 10

The company recognises the capital asset on the date on which the work completion certificate is obtained either from the management or from the external agency. Till the date of obtaining completion certificate, the expenses are treated as work in progress.

29.3 Medicinal Plant expenses

The company has incurred expenditure for cultivating medicinal plant seedlings for trading purposes. The company has also incurred expenditure for cultivation of medicinal plants of which the yield is utilised for own production of medicines. There were no saleable seedlings as on 31st March 2021, value of closing stock is taken as nil. Since separate expenditure details are not available in respect of expenditure incurred for cultivation of medicinal plant seedlings and medicinal plants, it is not possible to capitalise the expenditure incurred for cultivation of medicinal plants. Hence the total expenditure incurred during the year is debited to Statement of Profit and Loss.

29.4 Provisions and Contingent liabilities - AS 29

I. Provisions:

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

II. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The claims against the Company on disputed liabilities and the claims raised by the fiscal authorities pending in Appeal/Court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallisation are not provided for in the accounts. The following are the pending litigations for which the Company may be contingently liable:

- i) Income Tax Department raised a demand of ₹ 7,73,555/- for the AY 2014-15. The company has filed an appeal against the order before the Commissioner of Income Tax (Appeals) Thrissur and is expecting a favourable order in this regard and hence no provision is made in the accounts for the same.
- ii) The Customs & Central Excise Department has raised a demand to remit ₹ 9,02,948/- vide order no.V/33/30/32/2004/Tech/114 dated 10.01.2013 towards demand and penalty for availing ineligible Cenvat Credit for the period from 01.09.2003 to 30.06.2004. The Company has filed an appeal against this order on 19.03.2013 and Commissioner vide order dated 20.05.2015 rejected the appeal. The Company has filed appeal before Central Excise Appellate Tribunal, Bangalore on 05.08.2015 against this order and expects a favourable decision in this regard and hence no provision is made in the books.
- iii) The Customs & Central Excise Department has raised a demand to remit ₹ 5,73,550/- vide order No.V/30/30/08/2005/Tech/120 dated 10.01.2013 towards

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

demand and penalty for availing ineligible Cenvat Credit for the period from 01.01.2005 to 15.05.2005. The Company has filed an appeal against this order on 19.03.2013 and Commissioner vide order dated 20.05.2015 has rejected the appeal. The Company has filed appeal before Central Excise Appellate Tribunal, Bangalore on 05.08.2015 against this order and it expects a favourable decision in this regard and hence no provision is made in the accounts.

29.5 Lease Hold Asset - AS 19

- i) The company is in possession of 83.44 acres of land at Kadannappilly Village, Kannur District. The lease rent fixed is ₹ 125/- per acre. The lease rent paid amounts to ₹ 10,430/-. The company has booked the lease on the basis of the lease agreement executed in the year 1990 for a period of 15 years and the company is in the process of renewing the lease agreement. No provision is made in the accounts for the incremental lease rental, if any, payable on renewal of lease agreement from the date of 01.01.2006.
- ii) The company has a leased property of 0.10 acres of land owned by Kerala Forest Range department, Govt. of Kerala at Pathanapuram in Kollam district vide Govt. order No.515/2012 dated 22.10.2012 to start Re-distribution Centre and an Eco shop. The lease rent fixed per year is ₹ 1,000/-. The company constructed a building in this land in 2015 and the cost of building, ₹ 1,01,31,490/- is shown under the head Property, Plant and Equipment. The Company is in the process of renewing the lease agreement for a period of 10 years. No provision is made in the accounts for the incremental lease rental, if any, payable on renewal of lease agreement from the date of 18.07.2016.
- iii) The company has a leased property of 1 acre of land at Muttathara in Thiruvananthapuram District received from Govt. of Kerala vide govt. order (MS) No.187/2015/Revenue dated 14.05.2015 for the construction of factory. The lease rent fixed is ₹ 4,047/- per year. The Company is in the process of renewing the lease agreement for a period of 30 years. No provision is made in the accounts for the incremental lease rental, if any, payable on renewal of lease agreement from the date of 09.04.2019.

29.6 Grants - AS 12

Grants are received from the National Medicinal Plants Board for the supply of medicinal seedlings, plants and herbs to the Government Institutions, Local Bodies and DIC centres. Income is recognised at the time of sale of plants to those entities.



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

Details of opening grant in aid, grant received and balance to be utilised during 2021-22 are as follows:

Particulars	Balance as on 01 st April 2020	Grant received during the year	Utilised during the year	Balance as on 31 st March 2021
Grant-in-aid- Herbal Garden HG/KE-02/2019	-	6.00	0.44	5.56
Grant-in-aid- Medi Plant Demo KNR-SMPB	-	10.00	3.06	6.94
Grant-in-aid- Model Medicinal Nursery-SMPB	-	15.00	15.00	-
Grant in Aid - SMPB/KL/26/2019	-	2.75	-	2.75
Grant in Aid - NMPB HG/KE-01/2020-21	-	15.00	3.50	11.50
Grant in Aid - DAME For Medicinal Garden	-	14.10	-	14.10
Total	-	62.85	22.00	40.85

29.7 Prior Period and Extra Ordinary items - AS 5

Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. The nature and amount of prior period items are separately disclosed in the statement of profit and loss in a manner that their impact on the current profit or loss can be perceived. Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events or transactions is made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

The prior period items are as mentioned below:

Particulars	31 st March 2021		31 st March 2020	
	Expenditure	Income	Expenditure	Income
Group leave insurance premium	-	-	5.40	-
Rent Jaipur outlet	-	-	1.41	-
Depreciation*	0.45	-	-	-
Total	0.45	-	6.81	-

* Since the Asset Recognition criteria was not fulfilled on KSEB Feeder Line which were capitalised in the FY 2019-20, the same was derecognised in the current FY 2020-21.


NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

29.8. The company does not have any non resident shareholders as on date
29.9. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 the company has to spent a cumulative amount of ₹ 85.66 lakhs during the financial year 2020-21 under CSR activities but the Company could spent only ₹ 25 lakhs.

29.10 Employee Benefit Disclosure

The following tables summarises the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity plan.

(a) Salaries and wages

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Salaries	175.66	25.04
Wages and allowances	1893.47	1885.34
Bonus and Ex-gratia	106.41	99.40
Stipend	6.00	3.61
Honorarium to Chairperson	2.40	2.40
Employee benefit plans	345.26	383.82
Total	2529.20	2399.60

(b) Defined contribution plan

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Provident Fund	128.57	129.03
Employee state insurance	26.94	31.22
Less:PMRY Benefit received	(18.81)	(27.43)
Total	136.70	132.82



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

Profit and Loss account:-

Net Employee Benefit Expense (Gratuity)	31st March 2021	31st March 2020	31st March 2019	31st March 2018
Current service cost	27.63	29.23	26.65	28.24
Interest cost on benefit obligation	26.65	27.63	22.81	26.17
Expected return on plan assets	(33.37)	(27.07)	(27.37)	(26.07)
Net actuarial (gain)/loss recognized in the year	84.13	(23.66)	85.42	(27.78)
Net (benefit) / expense	105.03	6.13	107.51	0.55

Balance sheet :-

Reconciliation of present value of the obligation and the fair value of plan assets (Gratuity)	31st March 2021	31st March 2020	31st March 2019	31st March 2018
Present value of obligations as at the end of the year	460.36	380.66	381.10	304.09
Fair value of plan assets as at the end of the year	494.72	400.99	364.24	348.54
Asset/(Liability) recognized in the balance sheet	34.36	20.33	(16.86)	44.45

Changes in the present value of the defined benefit obligation are as follows (Gratuity):	31st March 2021	31st March 2020	31st March 2019	31st March 2018
Opening defined benefit obligation	380.66	381.10	304.09	327.12
Interest cost	26.65	27.63	22.81	26.17
Current service cost	27.63	29.23	26.65	28.24
Benefits paid	(58.70)	(33.64)	(57.87)	(49.65)
Actuarial loss / (gain) on obligation	84.13	(23.66)	85.42	(27.78)
Closing defined benefit obligation	460.36	380.66	381.10	304.09

During the year the Company has obtained the actuaries valuation from an external actuarial advisor. As the obligation of the Company is higher as per the LIC actuaries, the Company has adopted the valuation as per LIC as result no provision made in the book of accounts.

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

Profit and Loss account :-

Net Employee Benefit Expense (Leave Encashment)	31st March 2021
Current service cost	34.22
Interest cost on benefit obligation	78.09
Expected return on plan assets	(13.14)
Net actuarial (gain)/loss recognized in the year	(107.23)
Net (benefit) / expense	(42.28)

Balance sheet :-

Reconciliation of present value of the obligation and the fair value of plan assets (Leave Encashment):	31st March 2021
Present value of obligations as at the end of the year	123.81
Fair value of plan assets as at the end of the year	51.84
Asset/(liability) recognized in the balance sheet	(71.97)

Changes in the present value of the defined benefit obligation are as follows (Leave Encashment) :	31st March 2021
Opening defined benefit obligation	78.09
Interest cost	5.47
Current service cost	34.22
Benefits paid	(101.18)
Actuarial loss / (gain) on obligation	107.23
Closing defined benefit obligation	123.81

During the year the Company has obtained the actuaries valuation from an external actuarial advisor. As the obligation of the Company is higher as per the LIC actuaries, the Company has adopted the valuation as per LIC as result no provision in made in the book of accounts

29.11 Related Party Transactions

Related party transactions are the transfer of resources or obligations between related parties, regardless of whether or not a price is charged. Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Related party relationships and related party transactions are disclosed in the financial statements by way of notes to accounts.



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

As per Accounting Standard 18, the disclosures and transactions with related parties are given below:

1. Names of related parties

Key Managerial Personnel/Directors	<ol style="list-style-type: none"> 1. Kavil Viswambharan Raveendrivilasam 2. Uthaman Kundila Veettil 3. Vinitha Sankaran 4. Lathakumari Panjath Madhavan 5. Anilkumar Gopalakrishnapillai Ramankuttypillai 6. Mohanadasan Edayat Nedumpurath 7. Sankarankutty Athenkayil 8. KunhIRaman Kariyamkod 9. Bhooshan Viswanathan Krishnan 10. Preetha Sukumaran Nair 11. Dr. Preeya Kochukrishnan Suseela
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Transactions with relatives of key managerial personnel are based on delcarations by the Key Managerial Personnels.

2. Transactions during the year and balances as at the year end

Remuneration and Payments	Nature of Relation	31 st March 2021	31 st March 2020
Dr. K.R. Viswambharan IAS (Retd)	Chairperson	2.47	2.54
K V Uthaman IFS	Managing Director	21.01	23.15
Vinitha Sankaran	Company Secretary	12.66	14.73
Lathakumari Panjath Madhavan	Chief Finance Officer	12.70	15.03
G.Anilkumar	Director	0.04	0.11
Mohanadasan Edayat Nedumpurath	Director	0.03	0.19
Sankarankutty Athenkayil	Director	0.14	0.20
KunhIRaman Kariyamkod	Director	-	0.18
Bhooshan Viswanathan Krishnan	Director	-	0.13
Preetha Sukumaran Nair	Director	0.05	0.09
Dr. Preeya Kochukrishnan Suseela	Director	-	0.11
Total		49.10	56.47

Since the cost of free supply of medicine issued to key managerial personnel, directors are not material it is not included in related party disclosure.

Transactions with other government companies and other government Department are also not included in related party transactions.



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

The disclosure of the production and consumption of resources during the year:

29.12 Raw Materials Consumed:-

Classification of Items	Unit	31 st March 2021		31 st March 2020	
		Qty	Value	Qty	Value
1. Imported		Nil	Nil	Nil	Nil
2. Indigeneous					
(a) Gingelly Oil	MT	5.762	538.65	6.089	569.25
(b) Coconut Oil	MT	4.442	755.07	4.702	695.37
(c) Jaggery	MT	10.308	486.53	9.925	422.81
(d)Milk	KL	13.051	545.27	15.360	542.04
(e) Ghee	MT	0.851	314.04	0.880	387.17
(f) Dry Ginger	MT	1.194	181.54	0.970	48.49
(g) Cheenathippali	MT	0.405	183.01	0.371	131.10
(h) Others *	-	-	4442.32	-	4053.89
Total			7446.44		6850.13

*Individual Items less than 10% of total consumption

29.13 Particulars in respect of stock

Classification of Medicines	Unit	Opening Stock		Closing Stock	
		Qty	Value	Qty	Value
(a) Asavarishtam	LTR	2104.16	208.006	5443.21	453.750
		(1251.43)	(145.670)	(2104.16)	(208.006)
(b) Liquid Kashayam	LTR	245.36	64.07	171.53	43.396
		(679.25)	(172.950)	(245.36)	(64.067)
(c) Thylam	LTR	1,680.98	525.32	3,252.65	975.941
		(1,510.33)	(467.600)	1,680.98)	(525.316)
(d) Lehyam	KGMS	500.78	114.28	646.53	195.112
		(588.27)	(104.090)	(500.78)	(114.278)
(e) Gritham	LTR	85.00	40.955	70.01	32.485
		(69.16)	(27.230)	(85.00)	(40.955)
(f) Choornam	KGMS	538.42	171.27	333.08	102.019
		(454.75)	(178.640)	(538.42)	(171.271)
(g) Pills and Capsules	NOS	90.58	104.88	75.47	81.535
		(99.02)	(184.900)	(90.58)	(104.879)
(h) Kashayachoorams	KGMS	537.73	78.74	625.09	92.739
		(942.48)	(147.310)	(537.73)	(78.740)
Total			1307.51		1976.98
			(1428.39)		(1307.51)

Figures in brackets represents previous year data.

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

29.14 Particulars of Sales Turnover

Classification of Medicines	Unit	Sales Quantity	
		31 st March 2021	31 st March 2020
(a) Asavarishtam	LTR	15907.40	18374.08
(b) Liquid Kashayam	LTR	2064.92	2189.54
(c) Thylam	LTR	10146.49	12466.53
(d) Lehyam	KG	3705.44	4077.15
(e) Gritham	LTR	429.73	526.39
(f) Choornam	KG	4733.59	4113.62
(g) Pills and Capsules	NOS	1658.52	1573.21
(h) Kashayachoorname	KG	7254.04	5595.64

29.15 Particulars of Production Quantity

Classification of Medicines	Unit	Production Quantity	
		31 st March 2021	31 st March 2020
(a) Asavarishtam	LTR	19246.45	19226.81
(b) Liquid Kashayam	LTR	1991.09	1755.65
(c) Thylam	LTR	11718.16	12637.18
(d) Lehyam	KG	3851.19	3989.66
(e) Gritham	LTR	414.75	542.22
(f) Choornam	KG	4528.25	4197.30
(g) Pills and Capsules	NOS	1643.41	1564.77
(h) Kashayachoorname	KG	7341.41	5190.88

As per our report of even date attached
For K.VIJAYAKUMAR & Co.
Firm Regn No.004712S

For and on behalf of the Board of Directors
The Pharmaceutical Corpn(I M) Kerala Ltd

Sd/-
Subin V R, B.Com., FCA. DISA
Partner
Membership No.221632
Chartered Accountants

Sd/-
Reghunandhanan V.M.
Managing Director (I/C)
(DIN: 09468599)

Sd/-
Sobhana George Ex. MLA
Chairperson
(DIN: 09499793)

Place : Thrissur
Date : 12.02.2022

Sd/-
S. Viniitha
Company Secretary

Sd/-
P.M. Lathakumari
Chief Finance Officer

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

30. Earnings Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31 st March 2021	31 st March 2020
Total operations for the year		
Profit/(loss) after tax	1540.33	1973.96
Net profit/(loss) for calculation of basic EPS (A)	1540.33	1973.96
Net profit as above	1540.33	1973.96
Add: Dividends on convertible preference shares & tax thereon	-	-
Interest on bonds convertible into equity shares (net of tax)	-	-
Net profit/(loss) for calculation of diluted EPS (B)	1540.33	1973.96
Weighted average number of equity shares in calculating basic EPS (C)	412.78	412.78
Effect of dilution:		
Weighted average number of equity shares in calculating diluted EPS (D)	412.78	416.76
Weighted Average Number of Equity Shares	412.78	416.76
Number of Potential Equity Shares against advance for Share Capital Pending Allotment	-	30.10
Earnings Per Share (A/C)		
(Basic)	3.73	4.78
Earnings Per Share (B/D)		
(Diluted)	3.73	4.42

As per our report of even date attached
For K.VIJAYAKUMAR & Co.
Firm Regn No.004712SFor and on behalf of the Board of Directors
The Pharmaceutical Corpn(I M) Kerala LtdSd/-
Subin V R, B.Com., FCA. DISA
Partner
Membership No.221632
Chartered AccountantsSd/-
Reghunandhanan V.M.
Managing Director (I/C)
(DIN: 09468599)Sd/-
Sobhana George Ex. MLA
Chairperson
(DIN: 09499793)Place : Thrissur
Date : 12.02.2022Sd/-
S. Vinitha
Company SecretarySd/-
P.M. Lathakumari
Chief Finance Officer



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

**31. Contingent Liabilities and Commitments
(to the extent not provided for)**

Particulars		31 st March 2021	31 st March 2020
(i)	Contingent liabilities		
a.	Claims against the company not acknowledged as debt:		
	Demand due on Income Tax Assessment for the years:		
	2014-2015	7.74	7.74
	Demands raised by Customs & Central Excise		
	2003-2004	9.03	9.03
	2004-2005	14.82	14.82
b.	Guarantees	-	-
c.	Other money for which the Company is contingently liable		
(ii)	Commitments:		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	1533.18	1826.24
	(b) Uncalled liability on shares and other investments partly paid;	-	-
	(c) Other Commitments	-	-
	Total	1564.76	1857.83

31. Additional information to the statement of Profit and Loss

	31 st March 2021	31 st March 2020
(a) Value of imports calculated on CIF basis by the company during the financial year in respect of -	Nil	Nil
(b) Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;	Nil	Nil

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Indian Rupees unless otherwise stated) (Amount ₹ in Lakhs)

(c) Total Value If All Imported Raw Materials, Spare Parts And Components Consumed During The Financial Year And The Total Value of All Indigenous Raw Materials, Spare Parts And Components Similarly Consumed And The Percentage of Each To The Total Consumption;	Nil	Nil
(d) The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	Nil	Nil
(e) Earnings in foreign exchange classified under the following heads, namely:- i) Export of goods calculated on F.O.B. basis; ii) Royalty, know-how, professional and consultation fees; iii) Interest and dividend; iv) Other income, indicating the nature thereof	Nil	Nil

32 Dividend Per Share

Particulars	31 st March 2021	31 st March 2020
Proposed Dividend	50.00	50.00
Dividend per share	0.12	0.13

33. Foreign Currency

There are no foreign exchange outgoes / inflows during the year.

34. Comparatives

Previous year figures are regrouped or rearranged wherever necessary.

As per our report of even date attached
For K.VIJAYAKUMAR & Co.
Firm Regn No.004712SFor and on behalf of the Board of Directors
The Pharmaceutical Corpn(I M) Kerala LtdSd/-
Subin V R, B.Com., FCA. DISA
Partner
Membership No.221632
Chartered AccountantsSd/-
Reghunandhanan V.M.
Managing Director (I/C)
(DIN: 09468599)Sd/-
Sobhana George Ex. MLA
Chairperson
(DIN: 09499793)Place : Thrissur
Date : 12.02.2022Sd/-
S. Vinitha
Company SecretarySd/-
P.M. Lathakumari
Chief Finance Officer



OUSHADHI RESEARCH AND DEVELOPMENT SOCIETY NO.R-343/10
CENTRE OF EXCELLENCE FOR AYURVEDIC PHARMACEUTICALS IN INDIA
OUSHADHI COMPOUND, KUTTANELLUR, THRISSUR DT-680014

BALANCE SHEET AS AT 31ST MARCH 2021

Liabilities		Amount	Assets	Amount
Total Grant from Govt of India:			Fixed Assets:	
Dept. of AYUSH-No.Z.15015/06/2010 - COE(Part) Dt.28.09.2010		46,500,000.00	Centre of Excellence	61,831,464.00
Income and Expenditure Account:			Current Assets, Loans and Advances:	
As per last Balance Sheet	(850,257.00)		Cash at Bank	
Add: Excess of Expenditure over Income	(21,046.50)	(871,303.50)	Punjab National Bank	14,080.50
Non - Current Liabilities:				
Oushadhi, The Pharmaceuticals Corporation (IM),Kerala Ltd.		15,975,553.00		
Security Deposit		47,040.00		
Current Liabilities And Provisions:				
Audit Fee Payable		9,440.00		
Professional Charges Payable		5,000.00		
Sundry creditors for fixed asset		179,815.00		
Total		61,845,544.50	Total	61,845,544.50

Notes 01 to 15 forms an integral part of this financial statement.
For OUSHADHI RESEARCH AND DEVELOPMENT SOCIETY

As per our separate report of even date attached.
For JGS & ASSOCIATES

REGHUNANDHANAN V.M.
(Chief Executive Officer - I/C)

SUDHEESH P (PARTNER)
Chartered Accountants
Membership No: 223590
Firm Reg No: 013019s

P.M. LATHAKUMARI
(Secretary)

S.VINITHA
(Treasurer)

Place : Kuttanellur
Date : 10-02-2022



INDEPENDENT AUDITORS' REPORT

To

**THE MEMBERS OF
THE PHARMACEUTICAL CORPORATION (IM) KERALA LIMITED
KUTTANALLUR, THRISSUR**

Report on the Audit of the financial statements

Qualified Opinion

We have audited the standalone financial statements of **THE PHARMACEUTICAL CORPORATION (IM) KERALA LIMITED – CIN U24231KL1975SGC002722-** (the “Company”), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India except for the matters pointed in our basis for the Qualified opinion, as referred to in Note 2 of notes to financial statements, of the state of affairs of the Company as at 31st March, 2021 and its profit, its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. The Company has not complied with the following Accounting Standards issued under the Companies (Accounting Standards) Amendment Rules, 2016 and by the Institute of Chartered Accountants of India for the preparation of financial statements:

a) Inventory (AS-2) –

As per the stated accounting policy of the company as given in Note No.2.1 (g), it was disclosed that, The Company is valuing its closing stock as follows;

- Raw materials at purchase price less 25% towards estimated loss of drriage and storage
- Finished goods at Government selling price less 20% estimated margin
- Work in progress at factory cost of raw materials less 25%



As per paragraph number 5 of Accounting Standard 2 on Valuation of Inventories, Inventories should be valued at the lower of cost and net realisable value. The standard further provides the method of valuing this cost/net realisable value of Inventory.

The company is following aforesaid method of valuing Inventories consistently during the past several years which is not in conformity with the AS-2 regarding Valuation of Inventories. Since the exact loss on account of drilage and storage is not available, we are not able to quantify the impact of the valuation of closing stock of raw materials inconsistent with AS-2 and its impact on the profit reported during the year.

We are unable to quantify the impact on the valuation of Finished goods and Work in progress together with its impact on the profit reported during the year, since sufficient information is not available.

- b) As per the stated accounting policy of the company as given in Note No.2.1 (h) (i), it was disclosed that, the revenue from the sale of goods was recognized when all the significant risks and rewards of ownership of the goods were passed to the buyer, usually on delivery of goods or item billed against confirmed order.

As per paragraph number 11 (i) of Accounting Standard 9 on revenue recognition, a transaction involving the sale of goods, performance should be regarded as being achieved when the seller of goods has transferred to the buyer the property in the goods for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership.

The company accepts all orders for supply of its products at the buyers' end, hence, the risk and rewards of ownership of the products are deemed to be transferred only at the point of delivery at the buyers' end and not at the point of invoicing the products against confirmed order. The delivery of goods is also the responsibility of the company and this transportation cost also considered for arriving at cost price of the product.

Goods valued at ₹ 6,60,76,976/- invoiced/billed before 31st March 2021 (during 2020-21), but packed and dispatched after 31 March 2021 (during the financial year 2021-22) was recognized during the financial year 2020-21, which has resulted in overstatement of Revenue from sale of products by ₹ 6,60,76,976/- during the year 2020-21.



Similarly, Goods valued at ₹ 2,47,00,026/- invoiced/billed before 01-April 2020 (during 2019-20), but packed and dispatched after 01 April 2020 (during the financial year 2020-21) was not recognised during the financial year 2020-21, which has resulted in understatement of Revenue from sale of products during the year 2020-21 by ₹ 2,47,00,026/- .

We are unable to quantify the impact on the valuation of Finished goods together with its impact on the profit reported during the year, since sufficient information is not available.

2. The management has not reported income from its own agricultural and medicinal cultivation activities used for production separately. This has no impact on the profitability as stocks are valued on the basis of physical verification conducted on the year end.
3. Schedules of the following account balances are not available from the Company. Hence, we are not in a position to comment on the correctness of the balances in these accounts and the impact on the reported financial statement and its disclosure.

Sl. No.	Particulars	Amount (₹)
1.	Suspense A/C	(12,06,414)
2.	GIS receivable	5,900.00
3.	SLI and GIS receivable	3,850.00
4.	SLI receivable	755.00
5.	G S I S P C Biju Chandran	(1,669.00)
6.	P. Gopalakrishnan H L	(2,000.00)
7.	Gratuity Trust Receivable	2,779.00
8.	GPAI-USHA	1000.00
9.	Festival Advance Madhusudanan	1152.00
10.	Festival Advance Prakasan K K	1152.00
11.	Fest. Adv. C A Mani	714.00

4. The Company has advances against sales outstanding for more than 365 days aggregating to ₹ 161.58 Lakhs. Hence the Company has violated the rule 2(1)(c)(xii)(a) of Acceptance of Deposits, Rules 2014 read with Section 73 of the Companies Act, 2013. The Company has taken security deposits from various contractors, and the amount outstanding for more than three years as on 31.03.2021 is ₹ 5.09 Lakhs. The details of non-renewed deposits which are more than five years old are not available with the Company. Therefore, it is not able to state whether any part of the Security Deposit



collected by the Company will come under the definition of Public Deposits; hence we are unable to comment on the same.

5. The Company has long pending entries to be posted in Bank and Treasury accounts which create mismatch between the Bank Statements and Books of Accounts. Presently these difference are posted through a Suspense Account. Since the details of these pending entries in Suspense Accounts are not received from the Company, we are unable to comment on the same.
6. Ledger accounts balance of the following fixed assets are shown as credit balances and accumulated depreciation balances are shown as debit balances in the books of the company. Even though there is differences, the same has been reconciled by the company for the preparation of financial statement.

Sl. No	PARTICULARS	AMOUNT
1.	Data Processing March	(2,12,36,306)
2.	Laboratory Equipment	(4,10,398)
3.	Electrical Fittings	(22,42,948)
4.	Acc Dep- Electrical Fittings	24,57,508
5.	Acc Dep- Buildings	1,18,50,229
6.	Acc Dep- Vehicles	6,53,363

7. The Turnover as per the books of the company mismatches with the GST returns.

Turnover as per books of accounts	₹ 1,41,33,48,707.80/-
Turnover as per GSTR 1	₹ 1,40,44,45,558.74/-
Turnover as per GSTR3B	₹ 1,40,27,16,216.15/-

8. Interest as per financial statement is ₹ 839.41 lakhs, whereas as per 26AS is ₹ 344.90 lakhs. These were not reconciled. Interest income is recorded on actual basis rather than accrual basis. We are unable to quantify the impact of this together with its impact on the profit reported during the year, since sufficient information is not available.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by



the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Emphasis of matter

1. As per Section 135 of the Companies Act, 2013 read with CSR Rules, 2014 the amount to be spent for CSR activities is ₹ 59.30 lakhs during the FY 2020-21. But the amount actually spent during the year for CSR activities is ₹ 25 lakhs only. Our opinion is not modified in respect of this matter.
2. Reference is invited to Note No 7, 14, 17 and 19 to the Financial Statements, which states that certain balances of Trade payables, Long Term Loans & advances Trade receivables and Short Term Loans and Advances are subject to confirmation. We are unable to comment on the adjustments if any to be made in these accounts and the impact if any in the reported financial statements and its disclosures. Our opinion is not modified in respect of this matter.
3. Reference is invited to Note No.5 to the Financial Statements, which states that no provision has been made in the accounts for the interest on share application money where it is not allotted within 60 days as per Section 42(6) of the Companies Act, 2013, as there is no claim from the Government of Kerala in this regard. We are unable to comment on the adjustments if any to be made in these accounts and the impact if any in the reported financial statements and its disclosures. Our opinion is not modified in respect of this matter.

Other Matter

- Company has not conducted AGM for the FY 2019-20 till the date of signing this report.

Other information

The Company's management and Board of Directors are responsible for other information. The other information comprises the information in the Management Discussion and Analysis, Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue



an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in "Annexure A", 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(5) of the Act, we give in "Annexure B", a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India.
3. 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 purpose of our audit; except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, 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.
 - b. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account; except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016.
 - c. Being a Government Company the provisions of Section 164(2) of the Act are not applicable vide Notification No. GSR 463(E) dated 5th June 2015.
 - d. With respect to the adequacy of the internal financial controls with reference to financial statements over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - e. Being a Government Company the provisions of Section 197 of the Act are not applicable vide Notification No. GSR 463(E) dated 5th June 2015.



- f. 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:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company does not have any long-term contracts requiring a provision for material foreseeable losses.
 - iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For K. VIJAYAKUMAR & Co.
Firm Regn No. 004712S

Sd/-
SUBIN V R, B.Com., FCA, DISA
(Partner)
Membership No. 221632
Chartered Accountants

Place: Irinjalakuda
Date: February 12, 2022



The Annexure A referred to in paragraph 1 under the heading “Report on other Legal and Regulatory Requirements” of our Report of even date to the members of The Pharmaceutical Corporation(IM) Kerala Limited, Thrissur on the accounts of the company for the year ended 31st March, 2021.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except the details of assets put in use are not properly recorded in the books.
- b) The fixed assets of the Company have been physically verified by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations, given to us, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, the title deed of immovable property are held in the name of the Company except in respect of title deed of 8.52 acres of land in the name of SKVA Co-operative Pharmacy and Stores Limited No.4318 which are yet to be transferred in the name of the Company as disclosed under Note No.10 in the notes of accounts of the attached financial statements. According to the information and explanation given to us and based on the examination of the lease agreement, we report that in respect of the building constructed in the lease land, the lease agreement is in the name of the company where the company is the lessee in the agreement.
- ii) a) The inventory has been physically verified by the management at the year end. In our opinion, the frequency of such verification is reasonable. The procedure of the physical verification of inventories followed by the management are reasonable and adequate in commensurate to the size of the Company and the nature of its business. We are unable to comment whether there is any discrepancy between the physical stock and the inventory as per stock records as no proper inventory records are maintained by the Company.
- b) The Company has not maintained proper records of inventory giving full particulars of purchases, issues, work in progress and closing stock .Hence we are not in a position to comment on the accuracy of the inventory records maintained by the company.



- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public other than the matter detailed below under point (a). Therefore the Directives issued by the Reserve Bank Of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company. According to the information and explanations given to us, the Company has not received any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
 - a) The Company has taken security deposits from various contractors and the amount outstanding for more than three years as on 31.03.2021 is ₹ 5.09 Lakhs. Since the details of non-renewed deposits which are more than five years old are not available with the Company, we are not able to state whether any part of the security deposit collected by the Company will come under the definition of Public Deposits. Also, the Company has advances against sales outstanding for more than 365 days aggregating to ₹ 161.58 Lakhs which will come under the definition of Public deposits as defined under Rule 2(1)(c)(xii)(a) of the Companies (Acceptance of Deposits), Rules 2014 read with Section 73 of the Companies Act, 2013. Hence the Company has not complied with the provisions of Section 73 of the Companies Act, 2013.
- vi) We have reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained except certain errors, omissions and pending updations. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.



vii) a) According to information and explanations given to us and on the basis of records produced before us for verification, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employee’s State Insurance, Income-tax, Sales-Tax, Duty of customs, Duty of excise, Value added tax, Goods and Service tax, Cess and any other statutory dues with the appropriate authorities wherever applicable to it

There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income tax, Sales-tax, Duty of Customs, Duty of Excise, Value added tax, Goods and Service tax , Cess and other material statutory dues in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of Income tax, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Due	Financial year of Dispute	Amount involved	Forum where dispute is pending
The Income Tax Act,1961	Assessment due under Income Tax	2013-14	7,73,555.00	Commissioner of Income Tax (Appeals), Thrissur.
The Central Excise Act,1944	Assessment and Penalty due under Excise duty	2003-04	9,02,948.00	Central Excise Appellate Tribunal Bangalore.
The Central Excise Act,1944	Assessment and penalty due under Excise duty.	2004-05 2005-06	5,73,550.00	Central Excise Appellate Tribunal Bangalore.

viii) In our opinion and according to the information and explanation given to us, Company has no dues to any financial Institutions, banks, government or debenture holders.

ix) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans or raised any moneys by way of Initial Public Offer or further public offer (including debt instruments) during the year.

x) According to the information and explanation given to us, no fraud by the company or on by its officers or employees has been noticed or reported during the course of our audit.



- xi) As the Company is a Government Company, the provisions of Section 197 of the Companies Act is not applicable vide Notification No. GSR 463(E) dated 5th June 2015 and hence we are not commenting on the same.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Sections 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment of shares during the year under review and hence reporting under clause(xiv)of the order is not applicable to the company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi) According to the information and explanations given to us and based on our examinations of the records of the Company, Company is not required to be registered under section 45 – IA of the Reserve Bank of India Act,1934

For K. VIJAYAKUMAR & Co.
Firm Regn No. 004712S

Sd/-
SUBIN V R, B.Com., FCA, DISA
(Partner)
Membership No. 221632
Chartered Accountants

Place: Irinjalakuda
Date: February 12, 2022



The Annexure B referred to in paragraph 2 as required by Section 143(5) of the Act under the heading “Report on other Legal and Regulatory Requirements” of our Report even date to the members of The Pharmaceutical Corporation(IM) Kerala Limited, Thrissur on the accounts of the company for the year ended 31st March, 2021

We have examined the books of accounts of The Pharmaceutical Corporation (IM) Kerala Limited for the year ended March,2021 and we have submitting our comments and answers to the questions asked in the directions issued by the Comptroller & Auditor General of India, according to the best of information and explanation given to us by the management and appears from the examination of books of accounts and records produced before us by the company.

- i. As per the explanation and information given to us and based on the examination of records, the company has a system in place to process all accounting transaction through IT system.
- ii. Based on our audit procedures and on the basis of information and explanation given to us, no restructuring of any existing loan facility and no case wavier/write off from the company’s lender in respect of loan facility during the year under review reported.
- iii. As per information and Explanation given to us and the records produced before us, the company received grants from the National Medical Plants Board for the supply of medical seedlings, plants and herbs to the government institutions, Local Bodies and DIC centres, the company accounted the same in proper manner as per AS-12 and utilized as per the terms and conditions.
- iv. According to the information and explanations given to us, the land owned by the Company has not encroached upon, under litigation, put to use or declared surplus during the year.
- v. According to the information and explanations given to us, the company’s pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads.
- vi. In our opinion and according to the information and explanations given to us, the company has utilized the government assistance for technology up gradation/modernization of its manufacturing process and has timely submitted the utilization certificates.
- vii. According to the information and explanations given to us, the company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.



- viii. In our opinion and according to the information and explanations given to us, the Company has no proper mechanism to assess the extent of utilization of plant and machinery during the year viz –a – viz installed capacity.
- ix. According to the information and explanations given to us, the company has provided discounts/commission in regard to debtors and creditors during the year as per the policy laid down.

For K. VIJAYAKUMAR & Co.
Firm Regn No. 004712S

Sd/-
SUBIN V R, B.Com., FCA, DISA
(Partner)
Membership No. 221632
Chartered Accountants

Place: Irinjalakuda
Date: February 12, 2022



Annexure “C” to the Independent Auditors’ Report of even date on the Financial Statements of The Pharmaceutical Corporation (IM) Kerala 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 The Pharmaceutical Corporation (IM) Kerala Limited (“The Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the ‘Guidance Note’) and the Standards on Auditing (the ‘Standards’), issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 operate defectively 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 qualified audit opinion on the Company's internal financial controls 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31st 2021:



1. *The Company did not have an appropriate internal control system in the maintenance of debtors accounts. This could potentially result in inaccurate balances of the debtors.*
2. *The Company did not have an appropriate internal control system for obtaining external balance confirmation on a periodic basis. This could potentially result in inaccurate assets and liabilities disclosed in the books of accounts and financial statements.*
3. *The Company did not have an appropriate internal control system in the maintenance of stock records. This could potentially result in inaccurate disclosure of Work in Progress in the books of accounts and financial statements.*
4. *The Company did not have an appropriate internal control system for reviewing, computation and booking of fixed assets (put in use not accounted). This could potentially result in inaccurate calculation of depreciation disclosed in the books of accounts.*
5. *The Company did not have an appropriate internal control system for checking and approving the accounting entries viz “Maker – Checker” concept*
6. *The Company did not have an appropriate internal control system for maintenance of books of accounts related to interest and interest receivables. This could result in inaccurate calculation of interest in the financial statement.*

“A material weakness” is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, 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 March 31, 2021, 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 ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the 31st March, 2021



financial statements of the Company and aforesaid report and opinion on Internal Financial Control over financial reporting should be read in conjunction with our report of even date issued on the financial statements of the Company.

For K. VIJAYAKUMAR & Co.
Firm Regn No. 004712S

Sd/-
SUBIN V R, B.Com., FCA, DISA
(Partner)
Membership No. 221632
Chartered Accountants

Place: Irinjalakuda
Date: February 12, 2022

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PANCHAKARMA HOSPITAL & RESEARCH INSTITUTE

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