

THE PHARMACEUTICAL CORPORATION (IM) KERALA LIMITED

Kuttanellur, Thrissur, Kerala, Pin – 680014

CIN: U24231KL1975SGC002722 Tel. No. 0487 – 2353550 e-mail: acooushadhi@gmail.com

web: www.oushadhi.org

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 48th Board's Report of your Company together with the Audited Financial Statement and the Auditor's Report for the financial year ended 31st March, 2023.

Financial Highlights

(Amount in Lakhs)

Particulars	2022-23	2021-22
Gross Income	18,773.39	18,325.03
Profit Before Interest and Depreciation	6,160.24	6,289.85
Finance Charges	-----	-----
Gross Profit	6160.24	6,289.85
Provision for Depreciation & Amortization	365.94	390.07
Net Profit Before Exceptional items & Tax	5,794.30	5,899.78
Exceptional and Extraordinary items	-----	-----
Net profit before Tax	5,794.30	5,899.78
Current Tax	1,529.86	1,526.25
Relating to earlier years (Net)	-----	-----
Deferred Tax	17.80	27.93
Net Profit After Tax	4,246.64	4,345.59

State of Company's Affairs and Future Outlook

During the year under report the Gross Income of the company has been increased to ₹18,773.39 Lakhs compared to previous years' Gross Income of ₹18,325.03 Lakhs. Your Company's Profit and Loss Account shows that during the year under report the company has a Net Profit of ₹4,246.64 Lakhs for the year (Last year Net Profit was ₹4,345.59 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. The company is making sustainable efforts to achieve improved performance and profitability in the coming years.

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 ₹100 Lakhs which is @ 2.225% of the Paid-up Share Capital as on 31.03.2023 subject to approval 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 ₹4,246.64 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 were no amounts of 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 approval of this financial statement relate on the date of this report.

Directors and KMP

At the beginning of the financial year 2022-23, following persons are the directors and KMP of the company.

1.	Sobhana George, Ex.MLA	:	Director
2.	Thoduvayil Karunakaran Hrideek	:	Managing Director
3.	Vijayakumar Sivanandan	:	Director
4.	Preetha Sukumaran Nair	:	Director
5.	Dr. K.S Preeya	:	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

At the end of the financial year 2022-23, following persons are the directors and KMP of the company:

1.	Sobhana George, Ex.MLA	:	Director
2.	Thoduvayil Karunakaran Hrideek	:	Managing Director
3.	Preetha Sukumaran Nair	:	Director
4.	Thekke Veetil Thazha Balan	:	Director
5.	Dr. K.S Preeya	:	Director

6.	Padmanabhan Kolangarayath	:	Director
7.	Vijayakumar Sivanandan	:	Director
8.	Plaparambil Kuriakose	:	Director
9.	Kakkassery Francis Davis	:	Director
10.	Vinitha Sankaran	:	Company Secretary
11.	Lathakumari Panjath Madhavan	:	Chief Finance Officer

The Government of Kerala vide order G.O(Rt)No.426/2022/AYUSH dated 03-10-2022 has appointed Padmanabhan Kolangarayath (DIN:09358734), Kakkassery Francis Davis (DIN:09778719), Plaparambil Kuriakose (DIN:09778718) as Director of the company in place of Kunbiraman Kariyamkod (DIN: 08065099), Sankarankutty Athenkayil (DIN: 08065092), Mohanadasan Edayat Nedumpurath (DIN: 08065090).

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

1.	Sobhana George, Ex.MLA	:	Director
2.	Thoduvayil Karunakaran Hrideek	:	Director
3.	Dr. K.S Preeya	:	Director
4.	Padmanabhan Kolangarayath	:	Director
5.	Seema S.	:	Director
6.	Preetha Sukumaran Nair	:	Director
7.	Plaparambil Kuriakose	:	Director
8.	Kakkassery Francis Davis	:	Director
9.	K Salim Kumar	:	Director
10.	Vinitha Sankaran	:	Company Secretary
11.	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 2022-23, the Board of Directors of the company met 9 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	24-05-2022	8	7
2	19-07-2022	8	8
3	29-07-2022	8	8
4	12-08-2022	8	6
5	21-10-2022	9	9
6	07-01-2023	9	7
7.	27-01-2023	9	8
8.	16-02-2023	9	9
9.	25-02-2023	9	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 2022-23 are given below.

Sl. No.	Name of Director	No. of Meetings held during the tenure	No. of Meetings Attended
1.	Shobana George, Ex-MLA	9	9
2.	Thoduvayil Karunakaran Hrideek	9	9
3.	Dr. K.S Preeya	9	9
4.	Preetha Sukumaran Nair	9	9
5.	Vijayakumar Sivanandan	9	8
6.	Mohandas Edayat Nedumpurath	4	3
7.	Kunjiraman Kariyamkod	4	2
8.	Sankarankutty Athenkayil	4	4
9.	Padmanabhan Kolangarayath	5	4
10.	Kakkassery Francis Davis	5	4
11.	Thekke Veettil Thazha Balan	5	4
12.	Plaparambil Kuriakose	5	3

Audit Committee

The constitution of the audit committee during the financial year 2022-23 was as follows:

1.	Preetha B.S.	:	Chairman
2.	Dr.K.S.Preeya	:	Member
3.	S. Vijayakumar	:	Member
4.	K.F. Davis	:	Member

All the members of the Committee have excellent financial and accounting knowledge. The Audit Committee met one time on 21-10-2022 during the financial year 2022-23. Details of Audit Committee Meeting attended by each member of the committee during the financial year 2022-23 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.	S. Vijayakumar	1	1
4.	K.F. Davis	1	1

The details of number of members attended at each Audit Committee meeting during the financial year 2022-23 are as follows:

Sl. No.	Date of Meeting	Total number of members as on the date of meeting	Number of members Attended
1	21-10-2022	4	4

Details of General Meetings Held During the Financial Year 2022-23

The 47th Annual General Meeting of the company for the financial year ended on 31st March 2022 was held on 28th September 2022 at the Registered Office of the company which was adjourned as the Financial Statements could not be adopted in that meeting and the 46th Adjourned Annual General Meeting was held and concluded on 12th August 2022.

Directors' Responsibility Statement

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

- a. In the preparation of the annual accounts for the financial year ended 31st March 2023, the applicable Accounting Standards except AS 2 had been followed along with proper explanation relating to material departures.
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors have prepared the annual accounts on a going concern basis;
- e. The company being unlisted sub clause (e) of Section 134(5) is not applicable; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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)**.

Auditors and Report Thereon

Auditors' Report for the financial year ended 31st March, 2023 issued by the Statutory Auditors of the company M/s. K. Vijayakumar & 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.

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.

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. However, adequate measures have been initiated to reduce energy consumption
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	The research work relating to Oushadhi Face wash, Face cream, shampoo, Eye drops etc. are in the final stage and will be launched after obtaining license.
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 neither invited nor accepted any deposits from the public during the financial year 2022-23.

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 2022-23 following are the Directors in the committee.

1.	Sobhana George, Ex.MLA	:	Chairperson
2.	Thoduvayil Karunakaran Hrideek	:	Managing Director
3.	K.S Preeya	:	Member
4.	K. Padmanabhan	:	Member
5.	T.V Balan	:	Member

The CSR Committee met thrice during the financial year 2022-23. The details of number of members attended at each CSR Committee meeting during the financial year 2022-23 are as follows:

Sl. No.	Date of Meeting	Total number of members as on the date of meeting	Number of members Attended
1.	21-10-2022	5	5
2.	07-01-2023	5	5
3.	06-03-2023	5	5

Details of CSR Committee Meeting attended by each member of the committee during the financial year 2022-23 is as follows:

Sl. No.	Name of member	No. of Meeting held during the tenure	No. of Meeting Attended
1.	Sobhana George, Ex.MLA	3	3
2.	Thoduvayil Karunakaran Hrideek	3	3
3.	K.S Preeya	3	3
4.	K. Padmanabhan	3	3
5.	T.V Balan	3	3

During the financial year ended 31st March 2023, company has spent ₹32.41 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 ₹73.10 lakhs and balance amount was transferred to separate Bank Account towards ongoing projects..

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.

By Order of the Board of Directors

Sd/-

Sobhana George, Ex.MLA
Chairperson (DIN: 09499793)

Place: Thrissur

Date :26-10-2024