

BOARD OF DIRECTORS

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|----|---|---|
| 1. | Smt.Sobhana George, Ex.MLA | Chairperson |
| 2. | Dr.T.K.Hrideek | Managing Director
(Full additional charge) |
| 3. | Sri.Seema.S
(Joint Secretary, AYUSH Department) | Director |
| 4. | Smt.B.S.Preetha
(Additional Secretary, Finance Department) | Director |
| 5. | Dr.K.S.Preeya
(Director, Indian Systems of Medicines) | Director |
| 6. | Sri.Padmanabhan Kolangarayath | Director |
| 7. | Sri. Kakkassery Francis Davis | Director |
| 8. | Sri. Plaparambil Kuriakose | Director |
| 9. | Sri. Thekke Veettil Thazha Balan | Director |

AUDITORS:

M/s. Manikandan & Associates
Chartered Accountants, Thrissur

BANKERS:

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

28/07/2025

NOTICE

Notice is hereby given that the Adjourned 49th Annual General Meeting of M/s. Pharmaceutical Corporation (IM) Kerala Limited for the Financial Year ended 31st March 2024 will be held on Tuesday, 26th August 2025 at 10.30 am (Indian Standard Time) through Video Conferencing ("VC") or Other Audio Visual Means ("OVAM") using Zoom Video Conferencing platform to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the company comprising of Balance Sheet as at 31st March 2024, Statement of Profit & Loss, Cash Flow Statement and Notes thereto for the financial year ended as on that date together with the Reports of the Board of Directors' and Auditors' along with the comments from the Comptroller and Auditor General of India, and Secretary (Finance resources) thereon.
2. To consider the declaration of Dividend @ 4.3219 % on the Paid-up Share Capital as on 31/03/2024 of the company for the Year ended 31/03/2024.

By order of the Board of Directors,

Sd/-

Company Secretary

Note:

Members may be aware that Ministry of Corporate Affairs, Government of India ("MCA") has, vide its Circular Nos. 09/2024 dated 19th September, 2024, permitted Companies whose AGM are due in the year 2024 or 2025 to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on or before 30th September 2025. Accordingly, the Adjourned Annual General Meeting of the Company shall be conducted in virtual mode i.e., through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") ('Virtual AGM'), as per the guidelines issued by the MCA. The deemed venue of this meeting shall be the Administrative Office of the Company at Kuttanellur P.O., Thrissur – 680 014, Kerala State.

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 49th Board's Report of your Company together with the Audited Financial Statement and the Auditor's Report for the financial year ended 31st March, 2024.

Financial Highlights

(Amount in Lakh)

Particulars	2023-24	2022-23
Gross Income	20,125.59	18,773.39
Profit Before Interest and Depreciation	6,567.96	6,160.24
Finance Charges	-----	-----
Gross Profit	6,567.96	6,160.24
Provision for Depreciation & Amortization	340.53	365.94
Net Profit Before Exceptional Items & Tax	6,227.43	5,794.30
Exceptional and Extraordinary Items	-----	-----
Net profit before Tax	6,227.43	5,794.30
Current Tax	1,634.14	1,529.86
Relating to earlier years (Net)	-----	-----
Deferred Tax	3.04	17.80
Net Profit After Tax	4,590.25	4,246.64

Turnover of the company is at a higher end 18,512.65 lakh compared to previous year 17,432.02 lakh.

Company is also at a better performance, taking into account net profit after tax expenses. Company doesn't have any loans or borrowings, evidencing self-sufficiency. The Board of Directors has proposed for a dividend of ₹200 Lakhs which is @ 4.3219% of the Paid-up Share Capital as on 31.03.2024, which is the highest in the history of the company.



State of Company's Affairs and Future Outlook

During the year under report the Gross Income of the company has been increased to ₹20,125.59 Lakhs compared to previous years' Gross Income of ₹18,773.39 Lakhs. Your Company's Profit and Loss Account show that during the year under report the company has a Net Profit of ₹4,590.25 Lakhs for the year (Last year Net Profit was ₹4,246.64 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 has proposed for a dividend of ₹200 Lakhs which is @ 4.3219% of the Paid-up Share Capital as on 31.03.2024 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 ₹4,590.25 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 this financial statement relate on the date of this report, except that at the meeting of the Board of Directors held on



26th July 2025 the board made approval to allot shares for the first installment of Rs. 75.00 Lakhs received out of Rs. 230.00 Lakhs allocated by the Government in the budget for the financial year 2024-25 towards Share capital contribution.

Declaration of Independent Directors

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Since it was not applicable, the company has not obtained any declaration in this regard.

Evaluation of the performance of the Board , Its Committees and of Individual Directors

The provision of Section 134(3) (p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Account) Rules, 2014 regarding Evaluation of the Performance of the Board, its Committees and of Individual Directors do not apply to your company. Hence no disclosures in this regard has been made in this report.

Directors and KMP

At the beginning of the financial year 2023-24, 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. K.S Preeya	Director
6.	Padmanabhan Kolangarayath	Director
7.	Kakkassery Francis Davis	Director
8.	Thekke Veettil Thazha Balan	Director
9.	Kuriakose Plapparambil	Director
10.	Vinitha Sankaran	Company Secretary
11.	Lathakumari Panjath Madhavan	Chief Finance Officer

As per the G.O. (Rt) No. 290/2023/ AYUSH dated 31-07-2023 Sri. Vijayakumar Sivanandan (DIN: 09572043), Director has retired from service and replaced by Smt. Seema Sudhakaran (DIN: 10312518).

At the end of the financial year 2023-24, following persons are the directors and KMP of the company:

1.	Sobhana George, Ex.MLA	Chairperson
2.	Thoduvayil Karunakaran Hrideek	Managing Director
3.	Preetha Sukumaran Nair	Director
4.	Thekke Veettil Thazha Balan	Director
5.	Dr. K.S Preeya	Director
6.	Padmanabhan Kolangarayath	Director
7.	Seema S	Director
8.	Plaparambil Kuriakose	Director
9.	Kakkassery Francis Davis	Director
10.	Vinitha Sankaran	Company Secretary
11.	Lathakumari Panjath Madhavan	Chief Finance Officer

As per the G.O. (Rt) No. 372/2024/ AYUSH dated 04/10/2024, the nomination of Mr. Thekke Veettil Thazha Balan (DIN: 07684469) from directorship has been withdrawn by the appointing authority (Ayush Department- Government Of Kerala) and the same has been replaced by the appointment of Mr. Salim Kumar (DIN: 10838055) as Non-Executive Director.

After the above change and as on the date of this report, the following persons are the directors and KMP of the company.

1.	Sobhana George, Ex.MLA	Chairperson
2.	Thoduvayil Karunakaran Hrideek	Managing 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 as per the Articles of Association of the company.

Meetings of The Board of Directors

During the Financial Year 2023-24, the Board of Directors of the company met 10 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	24-04-2023	9	8
2	27-05-2023	9	7
3	07-08-2023	9	7
4	14-08-2023	9	6
5	05-09-2023	9	7
6	26-10-2023	9	8
7.	27-11-2023	9	8
8.	22-12-2023	9	9
9.	13-02-2024	9	9
10.	27-03-2024	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 2023-24 are given below.

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



Audit Committee

The constitution of the audit committee at the beginning of the financial year 2023-24 was as follows:

1. Preetha B.S.	Chairperson
2. Dr. K.S. Preeya	Member
3. S Vijayakumar	Member
4. Kakkassery Francis Davis	Member

During the financial year 2023-24, at the board meeting held on 26/10/2023, the committee was reconstituted and at the end of the financial year and as on the date of this report, the following are the audit committee members:

1. Preetha B.S.	Chairperson
2. Dr. K.S. Preeya	Member
3. Kakkassery Francis Davis	Member
4. Seema Sudhakaran	Member

All the members of the Committee have excellent financial and accounting knowledge. The Audit Committee met one time on 26-10-2023 during the financial year 2023-24. Details of Audit Committee Meeting attended by each member of the committee during the financial year 2023-24 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.	Kakkassery Francis Davis	1	1
4.	Seema Sudhakaran	1	1

The details of number of members attended at each Audit Committee meeting during the financial year 2023-24 are as follows:

Sl. No.	Date of Meeting	Total number of members as on the date of meeting	Number of members Attended
1	26-10-2023	4	4



Details of General Meetings Held During the Financial Year 2023-24

The 48th Annual General Meeting of the company for the financial year ended on 31st March 2023 was held on 28th September 2023 at the Registered Office of the company which was adjourned as the Financial Statements could not be adopted in that meeting and the 47th Adjourned Annual General Meeting was held and concluded on 13th March 2024.

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 2024, 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.

Annual Return

Pursuant to Sub-Section 3(a) of Section 134 and Sub-Section (3) of Section 92 of the Companies Act 2013, a copy of the Annual Return as of 31st March 2024 in Form No. MGT-7 is hosted on the website of the company and can be viewed at the web link mentioned below:

<https://oushadhi.org>



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 – I).

Compliance to Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings (SS-1) and General Meetings (SS-2) have been complied with by the company.

Auditors and Report Thereon

Auditors' Report for the financial year ended 31st March, 2024 issued by the Statutory Auditors of the company M/s. Manikandan & Associates, Chartered Accountants, Krishna Arcade, Near Marathompilly Temple, KSRTC Road, Chalakudy, Thrissur -680 307 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.

Reporting of Frauds

There were no frauds committed against the Company during the Financial Year 2024-25 by its officers or employees which are required to be disclosed as per Section 143(12) of the Companies Act, 2013.

Maintenance of Cost of Records

Proper cost records , as per companies (Cost Audit Report) Rules , 2014 prescribed under subsection (1) of section 148 of the Companies Act 2013, have been maintained by the company.



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 and fire wood 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	Nil

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. have been completed and license has been obtained.
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.

The other disclosures related to the employees are given below:



Number of employees as on the closure of financial year:

FEMALE	673
MALE	590
TRANSGENDER	0

(a) Maternity benefit:

The Company has duly complied with all provisions of the Maternity Benefit Act, 1961 and has extended all statutory benefits to eligible women employees during the year.

Number of women who claimed maternity benefit during the year : 4

Number of maternity benefit claims accepted and paid either fully or partially : 4

(b) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to provide a safe and inclusive workplace free from sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The Company believes in providing a mechanism for addressing complaints of sexual harassment by any employee, without the fear of reprisals in any form or manner.

The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any. An ICC Committee consisting of 5 members each, have been setup in Oushadhi Head Office Kuttanellur as well as other three subcenters in Pariyaram, Muttathara and Pathanapuram. These Committees are working according to the POSH Act 2013 and are Conducting meetings in every two months even if no complaints are received. Your Directors further state that during the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Deposits

The company has neither invited nor accepted any deposits from the public during the financial year 2023-24.

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 the constitution of the CSR committee at the beginning of the financial year 2023-24 was as follows:

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

CSR committee at the end of the financial year 2023-24 was as follows:

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

After the closure of the Financial Year 2023-24, at the board meeting held on 12/02/2025, the committee was re-constituted and as on the date of this report, the following are the CSR Committee members.

1.	Sobhana George, Ex.MLA	Chairperson
2.	Thoduvayil Karunakaran Hrideek	Member
3.	K.S. Preeya	Member
4.	K. Padmanabhan	Member
5.	K Salim Kumar	Member

The CSR Committee met 4 times during the financial year 2023-24. The details of number of members attended at each CSR Committee meeting during the financial year 2023-24 are as follows:



Sl. No.	Date of Meeting	Total number of members as on the date of meeting	Number of members Attended
1.	13-06-2023	5	3
2.	05-09-2023	5	5
3.	22-12-2023	5	5
4.	27-03-2024	5	4

Details of CSR Committee Meeting attended by each member of the committee during the financial year 2023-24 is as follows:

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

During the financial year ended 31st March 2024, company has spent ₹2.87 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 ₹93.82 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-II) attached to this report.

Details of application made or proceeding pending under Insolvency and Bankruptcy Code 2016

During the year under review, there were no applications made or proceedings pending in the name of the company under the Insolvency Bankruptcy Code, 2016.

Details of difference between valuation amount on one time settlement and valuation while availing loan from banks and financial institutions

During the year under review, there has been no one time settlement of loans taken from banks and Financial Institutions.



Order of Court

There are no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

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

Place: Thrissur
Date :26-07-2025

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





ADDENDUM TO DIRECTORS' REPORT

REPLIES TO THE COMMENTS OF STATUTORY AUDITORS

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 is as follows:

1. Sale of 2058.22 lakhs for the financial year 2023-24 has been dispatched in the financial year 2024-25, same as the case in year 2022-23 (Sale of 989.56 lakhs for the financial year 2022-23 has been dispatched in the financial year 2023-24), so the effects in current and previous years will set off to such extent. Also, if such amount not included in sales, will be included in inventory of finished goods, which is valued at government selling price. Hence, such amount, being included in sales will not impact the profit. (Basis for Qualified Opinion - Point No 1 (a) in the Independent Auditors Report).
2. The company has taken all efforts to renew the lease agreement. If extension not materialized, disclosure will be made as per AS 10. Regarding the disclosure requirements regarding PPE, appropriate disclosures will be made in conformity with AS 10 in future statements. (Basis for Qualified Opinion - Point No 1 (b) in the Independent Auditors Report).
3. Few medicines required narcotic drugs mainly natural products, such as opium. The same will be available only once in a year to the company. During the time of advance for medicines, these items were not available with us. This caused delay in production which resulted in to advance remain in the books of accounts. Supply against these advances were made during the next financial year on the basis of completion of production (Basis for Qualified Opinion - Point No 2 in the Independent Auditors Report).
4. Amount outstanding in the EMD is related to some pending litigations. The decision regarding refunding the amount outstanding in EMD account will be done after the final order against the litigation has been passed (Basis for Qualified Opinion - Point No 3 in the Independent Auditors Report).
5. Only those Capital assets which are undergoing work are classified under CWIP. When work pertaining to such asset is completed, it will be classified as AS 10. (Basis for Qualified Opinion - Point No 4 in the Independent Auditors Report).
6. Interest on Fixed deposits in treasury is being accounted on receipt basis and confirmations from treasury had been already submitted. Non response by treasury directly to the auditor on confirmation request doesn't affect the actual amounts. (Basis for Qualified Opinion - Point No 5 in the Independent Auditors Report).



7. In the current scenario, it is only possible to arrive at purchase through reverse working in SAP software, as only quantity consumed rather than purchased quantity is available from SAP. Best efforts are made to incorporate a mechanism in SAP to directly report purchased quantity. (Basis for Qualified Opinion - Point No 6 in the Independent Auditors Report).
8. A provision for a contingent liability is created when it's probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Contingent liabilities, on the other hand, are not recognized as provisions but are disclosed in the financial statements if their occurrence is reasonably possible and the amount can be reliably estimated. Hence, we have disclosed the same in notes (Basis for Qualified Opinion - Point No 7 in the Independent Auditors Report).
9. Financial Statements of the previous Financial Year 2022-23 was adopted in AGM conducted on 19-11-2024 (Basis for Qualified Opinion - Point No 8 in the Independent Auditors Report).
10. Adequate disclosures regarding the same will be made in future. (Basis for Qualified Opinion - Point No 9(a) in the Independent Auditors Report).
11. No provision will be created from now on until and unless, it is related to ongoing project. (Basis for Qualified Opinion - Point No 9(b) in the Independent Auditors Report).
12. Necessary steps will be taken for confirming the accuracy of bifurcation of balances (Emphasis of Matter - Point No 1 in the Independent Auditors Report).
13. Since scrap value cannot be reliably estimated, which may involve unnecessary cost if hired experts, scrap value is shown at 5% of acquisition value. (Emphasis of Matter - Point No 2 in the Independent Auditors Report).
14. Appropriate measures will be taken at the earliest (Emphasis of Matter - Point No 3 & 4 in the Independent Auditors Report).
15. Regarding the disclosure requirements regarding PPE, appropriate disclosures will be made in conformity with AS 10 in future statements. (Emphasis of Matter - Point No 5 in the Independent Auditors Report).
16. A provision for a contingent liability is created when it's probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Contingent liabilities, on the other hand, are not recognized as provisions but are disclosed in the financial statements if their occurrence is reasonably possible and the amount can be reliably estimated. Hence, we have disclosed the same in notes (Emphasis of Matter - Point No 6 in the Independent Auditors Report).
17. The same had been reconciled in GSTR 9C – annual return. (Emphasis of Matter - Point No 7 in the Independent Auditors Report).



18. Consistent method of valuation will be followed for valuation of both opening and closing stock from now on. (Emphasis of Matter - Point No 8 in the Independent Auditors Report).

REPLIES TO THE COMMENTS OF CAG

1. Invoice received from Liaison agent and amount 88.80 lakh has been deducted from liaison fees and credited to customers' account. (CAG comment no. A.I)
2. Stock of live plant will be incorporated appropriately in upcoming financials. (CAG comment no. D. III)
3. Provision had been created on the basis of valuation from LIC of India. Actual provision to be created was on higher of valuation from LIC or registered actuary. Provision would be appropriately made in future financial statements. (CAG comment- Comments on profitability & Comments on financial position I)
4. Company has wrongly created Deferred tax asset on account of CSR expenditure. Necessary steps have already been taken to avoid calculation errors (CAG comment- Comments on financial position II)
5. Clerical error in bifurcation of reconciliation code caused mismatch in cash flow from investing activities. Necessary steps have already been taken to avoid such errors (CAG comment- Comments on cash flow statements)

REPLIES TO THE COMMENTS OF SECRETARY (FINANCE RESOURCES)

1. Company will take all efforts to reduce expenditure. (Comments of Secretary - Finance Resources - Point No 1).
2. Company will take best efforts to increase the profit and improve the performance. (Comments of Secretary - Finance Resources - Point No 2).
3. Company will take all efforts to follow valuation as per AS-2 (Comments of Secretary - Finance Resources - Point No 3).
4. Reasonable steps have been taken to implement invoicing of rentals, Tender form cost, project fee, scrap sale etc. (Comments of Secretary - Finance Resources - Point No 4).
5. Company have taken all efforts to comply with sec 42(6) of Companies Act 2013 (Comments of Secretary - Finance Resources - Point No 5).
6. Company will take all efforts to comply with AS-19 (Comments of Secretary - Finance Resources - Point No 6).
7. Few medicines required narcotic drugs mainly natural products, such as opium. The same will be available only once in a year to the company. During the time of advance



for medicines, these items were not available with us. This caused delay in production which resulted in to advance remain in the books of accounts. Supply against these advances were made during the next financial year on the basis of completion of production (Comments of Secretary - Finance Resources - Point No 7).

8. Financial Statements of the previous Financial Year 2022-23 was adopted in AGM conducted on 19-11-2024 and proposed dividend for the year 2022-23 was paid on 16-12-2024 (Comments of Secretary - Finance Resources - Point No 8).

By Order of the Board of Directors

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

Place: Thrissur

Date: 26-07-2025



Annexure – I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2024

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 I M 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: 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.	- NIL -

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	90.43

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

III. 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: -

[illegible]



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 share holders 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	4,49,50,972	4,49,50,972	100.00	NIL	4,62,75,972	4,62,75,972	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			
		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	% change in shareholding during the year
1	Governor of Kerala	4,49,50,960	99.99	-	4,62,75,960	99.99	-	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is 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	4,49,50,960	99.99	4,49,50,960	99.99
	Increase/Decrease in Promoters Shareholding during the year.	13,25,000	99.99	4,62,75,960	99.99
	At the end of the year	4,62,75,960	99.99	4,62,75,960	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
2	JAIN B				
	At the beginning of the year	1	-	1	-
	Increase / Decrease in shareholding during the year.	(1)	-	(1)	-
	At the end of the year	-	-	-	-
3	SAMEER KUMAR O J				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in shareholding during the year.	1	-	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	GEORGE SOBHANA - DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
2	THODUVAYIL KARUNAKARAN HRIDEEK – MANAGING DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	DR. PREEYA KOCHUKRISHNAN SUSEELA – DIRECTOR				
	At the beginning of the year	10	-	10	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	10	-	10	-
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	PADMANABHAN KOLANGARAYATH – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-



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
6	PLAPARAMBIL KURIAKOSE – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	KAKKASSERY FRANCIS DAVIS – DIRECTOR				
	At the beginning of the year		-		-
	Date wise Increase/Decrease in Shareholding during the year		-	-	-
	At the end of the year	-	-	-	-
8	VIJAYAKUMAR SIVANANDAN – DIRECTOR				
	At the beginning of the year	1	-	1	-
	Date wise Increase/Decrease in Shareholding during the year	(1)	-	(1)	-
	At the end of the year	-	-	-	-
9	THEKKE VEETIL THAZHA BALAN – DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10	SEEMA S– DIRECTOR				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	1	-	1	-
	At the end of the year	1	-	1	-
11	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	-	-	-	-
12	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	-	-	-	-

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

Particulars	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	Amount in Lakhs
		Thoduvayil Karunakaran Hrideek
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 - Bonus	-
2	Stock Option -	
3	Sweat Equity -	
4	Commission -	
5	Sitting fee -	
6	Mobile Allowance -	
7	Other Allowance: Medical Reimbursement, TA & DA etc.	7.54
8	Total (A)	7.54
9	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 Amount in Lakhs

SL No.	Name	Honorarium	Others: TA & DA, Fee etc. for attending Board/Committee Meetings	
1.	Sobhana George	2.40	1.31	3.71
2.	Mohanadasan Edayat Nedumpurath	-	0.048	0.048
3.	Sankarankutty Athenkayil	-	0.062	0.062
4.	Kunhiraman Kariyamkod	-	.032	.032
5.	Balan Thekke Veettil	-	.212	.212
6.	Padmanabhan Kolangarayath	-	.246	.246
7.	Kuriakose Plaparambil	-	.157	.157
8.	Davis Francis Kakkassery	-	.273	.273
	Total (B)			4.74
	Total Managerial Remuneration (A+B)			12.28
	Overall Ceiling as per the Act			N. A.



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Lathakumari Panjath Madhavan (CFO)	Vinitha Sankaran (Company Secretary)	
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.57	15.69	32.26
	(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.	-	-	-
	Total			

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					

By Order of the Board of Directors

Place: Thrissur
Date: 26-07-2025

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/-

Place: Thrissur
Date : 26.10.2024

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

ANNEXURE –II

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 by undertaking activities specified in Schedule VII of Companies Act.
- ii. 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.

By Order of the Board of Directors

Place: Thrissur

Date: 26-07-2025

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 hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres 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 quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;



9. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
10. Rural development projects;
11. Slum area development; and
12. Disaster management, including relief, rehabilitation and reconstruction activities.

By Order of the Board of Directors

Place: Thrissur
Date :26-07-2025

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



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 of the company

The Pharmaceutical Corporation (IM) Kerala Limited popularly known as 'Oushadhi' strives to be a socially responsible Company and strongly believes in development which is beneficial for the society at large. The Company is committed to discharge its social responsibility as a good corporate citizen. We believe in corporate social responsibility and are dedicated to giving back and making a positive societal effect. Our Company's endeavors aim to make a difference in the communities in which company has business presence. The CSR activities carried out by the Company are in accordance with the CSR Policy, as formulated by the CSR Committee and approved by the Board 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. Corporate Social Responsibility Policy of the company has been formulated with a view to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation, and monitoring of the CSR activities to be undertaken by the Company. As part of our CSR initiatives, we launched several initiatives to improve the environmental and societal aspect of the society. The Company's contribution to social sector development includes pioneering interventions in the fields health, environment conservation and the like. The CSR policy acts as a self-regulating mechanism for the company's CSR activities by ensuring adherence to laws, ethical standards, and best practice.

2. Composition of CSR Committee.

The committee comprises of the following members.

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

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company:

<https://www.oushadhi.org/csr-activities>



4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: NA
5. (a) Average net profit of the company as per sub-Section (5) of Section 135:
Rs. 46,90,89,341.54
 - (b) Two percent of average net profit of the company as per sub-Section (5) of Section 135: Rs. 93,81,786.83
 - (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
 - (d) Amount required to be set-off for the financial year, if any: NIL
 - (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 93,81,786.83
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 2,87,225.45
 - (b) Amount spent in Administrative Overheads: NIL
 - (c) Amount spent on Impact Assessment, if applicable: NA
 - (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 2,87,225.45
 - (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-Section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub Section (5) of Section 135.		
	Amount (In Rs.)	Date of Transfer	Name of the Fund	Amount	Date of Transfer
2,87,225.45	91,00,000.00	24.04.2024	NA	NIL	NA

(f) Excess amount for set-off, if any: NIL

Sl. No.	Particular	Amount (In Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-Section (5) of Section 135	93,81,786.83
(ii)	Total amount spent for the Financial Year	2,87,225.45
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL



7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
SL. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-Section (6) of Section 135 (In Rs.)	Balance Amount in Unspent CSR Account under sub-Section (6) of Section 135 (In Rs.)	Amount Spent in the Financial Year (In Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-Section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (In Rs.)	Deficiency, if any
					Amount (In Rs.)	Date of Transfer		
1	2022-23	40,70,000.00	40,70,000.00	-	-	-	40,70,000.00	
2	2021-22	31,54,214.14	31,54,214.14	-	-	-	31,54,214.14	-
3	2020-21	1,20,00,000.00	1,20,00,000.00	-				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year. NO

If Yes, enter the number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

SL. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	PIN code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-



9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-Section (5) of Section 135.

Due to the implementation delay the entire amount could not be spent on CSR activities. The unspent amount has been transferred to separate bank account with Punjab National Bank, Kuttanellur Branch, Thrissur for completing the ongoing project for the financial year 2023-24.

By Order of the Board of Directors

Place: Thrissur
Date :26-07-2025

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





सत्यमेव जयते

**OFFICE OF THE 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 (IM) KERALA LIMITED, THRISSUR FOR THE
YEAR ENDED 31 MARCH 2024**

The preparation of financial statements of **The Pharmaceutical Corporation (IM) Kerala Limited, Thrissur for the year ended 31 March 2024** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor 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 Revised Audit Report dated **11th December 2024** which supersedes their earlier Audit Report dated **26th October 2024**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **The Pharmaceutical Corporation (IM) Kerala Limited, Thrissur for the year ended 31 March 2024** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

COMMENTS ON FINANCIAL POSITION

A. COMMENTS ON PROFITABILITY

Statement of Profit and Loss – Expenses

Employee Benefits Expenses (Note no. 26) – ₹2779.91 lakh

The above head is understated by ₹99.76 lakh due to short provisioning on account of gratuity and leave encashment. Para 49, Para 50 and Para 51 of AS 15 prescribes requirements of Actuarial Valuation, which was undertaken by the Company but the recommended provisioning was not adhered to. This short provision has resulted in an understatement of Employee Benefits Expenses by ₹99.76 lakh with respective overstatement of profit.

B. COMMENTS ON FINANCIAL POSITION

Other Long term liabilities (Note no. 05) – ₹ 1087.85 lakh



- I. This was understated by ₹53.55 lakh on account of short provisioning of the Present Value of Obligation of retirement benefits. Even though the company made actuarial valuations, this has not been considered for accounting for the retirement benefits.
- II. As per Accounting Standard (AS) 22 on 'Accounting for Taxes on Income', deferred tax should be recognised for all the timing differences, which are the differences between taxable income and accounting income for a period that originates in one period and are capable of reversal in one or more subsequent periods. Any expenditure incurred by an assessee on the activities relating to CSR shall not be deemed to be an expenditure incurred by the assessee for the purposes of the business or profession for income tax calculation. However, the company recognised Deferred Tax Asset of ₹79.62 lakh (at the rate of 25.17 per cent) on CSR expenditure of ₹ 316.36 lakh which resulted in overstatement of deferred tax assets and retained earnings to the extent of ₹ 79.62 lakh.

C. COMMENTS ON CASH FLOW

Cash Flow Statement (CFS)

As per Accounting Standard (AS) 3 on 'Cash Flow Statements', investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents. Further, cash payments to suppliers for goods and services are to be included in Cash flows from operating activities.

The Company, however, included an amount of ₹1890.84 lakh incurred for purchase and payment for various goods and services required for normal operations of the company in Investing activities which resulted in overstatement of cash outflow under investing activity and net cash inflow from operating activity to the extent of ₹1890.84 lakh.

भारत के नियंत्रक-महालेखापरीक्षक के लिए और उनकी ओर से
*For and on behalf of the
Comptroller and Auditor General of India*

PREETHI ABRAHAM
महालेखाकार (लेखापरीक्षा-I), केरला
**ACCOUNTANT GENERAL (AUDIT-I),
KERALA**

Thiruvananthapuram
Dated : 15.04.2025

**The Comments of Secretary (Finance Resources) on the audited
accounts of Oushadhi for the Financial Year 2023-2024**

1. The total income of the Company increased from ₹ 18773.39 lakh to ₹20125.59 lakh, and the total expenditure increased from ₹ 12979.09 lakh to ₹13898.16 lakh. The Company should take earnest effort to reduce its expenditure.
2. There is a slight increase in the net profit which is ₹ 4590.25 lakh, compared with the previous year's ₹ 4246.64 lakh. The Company should take effective steps to better its performance in future.
3. Since book stocks cannot be accurately determined, it is not possible to state the differences between physical stocks and book stocks for the current year. Hence the Company shall comply with the Accounting Standards in respect of valuation of inventories (AS2).
4. The company didn't issue invoice as per provisions of GST Act for Rental, Tender Form Cost, Project Fee and for Scarp Sale. Hence Company will take necessary action to issue invoice as per GST rules from next Financial Year onwards. Company shall comply with Accounting Standards like revenue recognition.(AS9)
5. The Company has not provided any details whether Finance Department's previous years' comment regarding non-compliance of provisions of section 42(6) of Companies Act, 2013 has been rectified. The board of directors should discuss the reasons for non-compliance with statutory provisions and should take appropriate corrective action.
6. The Company shall comply with the Accounting Standards on Contingent liabilities (leases- AS19)



7. The Company has been repeatedly violating Rule 2(1)(c)(xii)(a) of Acceptance of Deposits, Rules 2014 read with Section 73 of the Companies Act, 2013. The board of directors should discuss the matter and take necessary corrective measures to rectify the same.

8. The financial statements for the previous year (2022-23) was not adopted in AGM so far and the proposed dividend out of the profits for the Financial Year 2022-23 has not been paid till date. The board of directors should take immediate necessary action in this regard.

9. The board of directors shall discuss in detail all other qualifications and opinions enumerated in the Independent Auditor's Report and ensure that appropriate corrective measures are taken thereon.


NELSON J

ADDITIONAL SECRETARY(FINANCE)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. CORPORATE INFORMATION

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 District and the second one at Muttathara, Thiruvananthapuram District. The Company has a Ayurvedic Panchakarma hospital at Thrissur District, & two redistribution centres at Pariyaram, Kannur District and the second one at Pathanapuram, Kollam District. The Company has three sales depots one at Arogyabhavan and the second one in Poojapura and third one in MLA Hostel Thiruvananthapuram. 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 (Indian GAAP). The Company has complied with all material aspects specified in the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Accounting Standards) Amendment Rules, 2016, the provisions of the Act (to the extent notified).

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 have been consistently applied by the company and are consistent with those used in the previous year.

2.1. SIGNIFICANT ACCOUNTING POLICIES - AS 1

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions. The use of estimates and assumptions is based on the best knowledge of management of current events and actions. The actual results could differ from these estimates. The use of estimates and assumptions affects the reported amount of assets and liabilities and the disclosure of contingent liabilities as at the date of Balance Sheet and the results of operations during the reporting period ended.

2.2. INVENTORIES - AS 2

Inventories are asset held for sale in the ordinary course of business or in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services



- i. Raw materials are valued at Cost or Net Realisable Value.
- ii. Work-in-progress are valued at Cost.
- iii. Finished goods are valued at Net Realisable Value.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. For complying with AS 2 and as per the direction of C&AG inventory is valued as follows:

- i. Raw Materials:**
Valued at purchase price
- ii. Finished Goods:**
Valued at Government selling price
- iii. Work-in-Progress:**
Valued at cost of Raw Materials.
- iv. Containers & Packing Materials, Spares & Fuel:**
Valued at cost.
- v. Live Plants**
Valued at cost

In previous years the basis of determination of value is as follows:

- i. Raw Materials:**
Valued at purchase price, less 25% towards estimated loss due to shrinkage and storage.
- ii. Finished Goods:**
Valued at Government selling price, less 20% as estimated margin.
- iii. Work-in-Progress:**
Valued at cost of Raw Materials, less 25%.
- iv. Containers & Packing Materials, Spares & Fuel:**
Valued at cost.

The change in method of valuation has resulted in subsequent increase of closing stock by Rs.663.24 lakhs.

Physical verification of stock as on 31-03-2024 were conducted by the management and the value of the physical stock is considered for the preparation of these 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.



2.3. Cash Flow Statements - AS 3

Cash Flow Statement (CFS) is an additional information provided to users of accounts in the form of a statement, which reflects the various sources from where cash was generated (inflow of cash) by an enterprise. The standard identifies three types of cash flows, i.e. operating cash flows, investing cash flows and financing cash flows. Separate presentation of each type of cash flow statement improves usefulness of cash flow information. The operating cash flows are cash flows generated by operating activities or by other activities that are not investing or financing activities. Operating activities are the principal revenue-producing activities of the enterprise. The investing cash flows are cash flows generated by investing activities. The investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

The financing cash flows are cash flows generated by financing activities. Financing activities are activities that result in changes in the size and composition of the owners' capital (including preference share capital in the case of company) and borrowing of the enterprise. An enterprise should report cash flows from operating activities using either (a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or (b) the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense.

The company has been changed indirect method to direct method from FY 2022-23 onwards.

2.4. Contingencies and events occurring after the Balance Sheet date - AS 4

Contingencies:

A contingency is a condition or situation, the ultimate outcome of which, gain or loss, will be known or determined only on the occurrence, or non-occurrence, of one or more uncertain future events. The estimates of the outcome and of the financial effect of contingencies are determined by the judgement of the management of the enterprise. This judgement is based on consideration of information available up to the date on which the Financial Statements are approved and will include a review of events occurring after the Balance Sheet date, supplemented by experience of similar transactions and, in some cases, reports from independent experts. Contingent loss is determined by the expected outcome of the contingency and it is prudent to provide for that loss in the Financial Statements. Contingent gains are not recognised in the Financial Statements except when the realisation of the gain is virtually certain.



Events Occurring after the Balance Sheet Date:

Events occurring after the Balance Sheet date are those significant events, both favourable and unfavourable, that occur between the Balance Sheet date and the date on which the Financial Statements are approved by the Board of Directors. Adjustments to Assets and Liabilities are made for events occurring after the Balance Sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the Balance Sheet date or that indicate that the fundamental accounting assumption of going concern is not appropriate. Adjustments to Assets and Liabilities are not made for events occurring after the Balance Sheet that do not affect figures stated in the Financial Statements. Events, which take place after the Balance Sheet are reflected in the Financial Statements because of statutory requirements.

2.5. 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.

2.6. Revenue Recognition - AS 9

Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities of the company from the sale of goods, from the rendering of services, and from the use by others of enterprise resources yielding interest, royalties and dividends. Revenue is measured by the sales made to customers or clients for goods supplied and services rendered to them and by the sales and rewards arising from the use of resources by them.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. 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 ₹2058.22 lakhs for the financial year 2023-24 has been despatched in the financial year 2024-25.

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 receipt basis.

iv. Income from Medicinal Plants:

Currently the yields & proceeds are used for the manufacture of medicines and allied products. An income of ₹2.09 Lakhs on account of Medicinal plant cultivation is separately disclosed under other income.

Company didn't issue invoice as per provisions of GST Act for Rental, Tender Form Cost, Project Fee and for Scarp Sale. But we included above mentioned incomes in our GST workings. Company will take necessary action to issue invoice as per GST rules from next financial year onwards.

2.7. Property, Plant & Equipment - AS 10

Property, Plant and Equipment are tangible items that are held for use in the production or supply of goods or services, for rental or for administrative purposes and are expected to be used during more than a period of twelve months. Property, Plant & Equipment are stated at cost of acquisition or construction less accumulated Depreciation and Impairment losses, if any. Cost includes cost of acquisition and other incidental expenses incurred until the asset is 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 or 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.

Due to error in the ERP Software – 'SAP', there exist multiple asset ledgers. Even though there exist multiple heads in balance of Property, Plant & Equipment in the SAP software is tallied with the Financial Statement. We initiate the corrective measure to rectify this



error with help of Software support team. Since Electrification of Building and lifts have no separate existence from building, these were included under building and provide respective depreciation.

The company recognises assets constructed on 83.44 acres of leased land from government, for which lease agreement expired and request for waiver of lease rent arrears as per demand notice of revenue authorities is placed with the Government. Though the company is paying lease premium of ₹0.10 Lakhs which is a prerequisite for renewal of lease agreement and continued use of land as further confirmed by revenue Authorities, the useful lives of the assets in the land was not limited to current year. The Recognition of assets in financial statement and providing depreciation justifies substance over form, accounting concept which emphasis on economic reality of transaction and events.

a. Depreciation & Amortization:

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 revised at the end of each reporting period considering the effect of change in estimate on a prospective basis. Company is not able to evaluate the scrap value of the assets at the time of acquisition, so company has applied a flat 5% scrap value to all its assets. The estimate useful lives are as mentioned below:

Nature of Asset	Type of Asset	Life
Computer Equipment	Servers & Network	6 Years
	Desktops, Laptops etc..	3 Years
Furniture & Fixtures	Furniture & Fixtures	10 Years
Electrical Equipment	Electrical Equipment	10 Years
Office Equipment	Office Equipment	5 Years
Plant and Machinery	Laboratory Equipment's	10 Years
Office Equipment	Motors, Compressors, Printing Machines etc. Plant and Machinery	15 Years



Plant and Machinery Buildings	Vessels, Dryers and Furnace	20 Years
	Vehicles	8 Years
	Other Plant and Machinery	5 Years
	Factory Building	30 Years
	Office Building	60 Years
Buildings	Bore Wells	5 Years
	Others	3 Years

b. Capital Work-in-Progress

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. Some of the Capital Work In Progress was ready for capitalisation in previous years but could not capitalise in respective years. On further scrutiny, it has been found those Capital work in progress of previous years were not capital expenditure in nature, however amount has been transferred from capital work in progress to revenue expenses.

CWIP aging schedule:

(Amount in Lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1 – 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	27.54	591.63	-	19.04	638.21
Projects Temporarily Suspended	-	-	-	-	-
Total	27.54	591.63	-	19.04	638.21

c. Intangible Assets Under Development:

(Amount in Lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1 – 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	-	-	-	-	-
Projects Temporarily Suspended	-	-	-	-	-
Total	-	-	-	-	-



2.8. Grants - AS 12

Government grants are assistance by government in cash or kind for past or future compliance with certain conditions. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the enterprise. 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. Grants are received from the National Medicinal Plants Board, State Medicinal Plant Board and Director of Ayurveda Medical Education Board for the supply of medicinal seedlings, plants and herbs to the Government Institutions, Local Bodies and DIC Centres.

The grants received by the company from various Government Departments for the cultivation of medicinal plants has been recognised as income to the extent of grants utilised and the balance has been shown as current liability and its corresponding expense has been also been charged.

2.9. Investments - AS 13

Investments are assets held by an enterprise for earning income by way of dividends, interest, and rentals, for capital appreciation, or for other benefits to the investing enterprise. 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 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.

Long Term Non-Trade Investments (Unquoted) includes Investment in Care Kerala and Siddha amounting ₹0.30 & ₹0.003 Lakhs respectively.

2.10. Employee Benefits - AS 15

I. 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 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.

II. Defined Contribution Plans:

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.

III. Defined Benefit Plans and Other Long Term Employee Benefits:

- a. The obligation in respect of defined benefit plans (Gratuity), which is provided on the basis of an actuarial valuation at the end of the financial year.
- b. Short term compensated absences are provided for based on estimates.
- c. 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.
- d. Actuarial gain/loss are taken to current year statement of profit and loss and are not deferred.

IV. Leave Benefit Plan:

The Company has Group Leave Encashment Scheme with the LIC. The accumulated leave up to 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.

2.11. Borrowing Cost - AS 16

Borrowing costs are interest and other costs incurred by an enterprise in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.12. Segment Reporting - AS 17

As per Accounting Standard 17: business segment or geographical segment should be identified as a reportable segment if its revenue from sales to external customers and from transactions with other segments is 10 per cent or more of the total revenue, external and internal, of all segments or its segment assets are 10 per cent or more of the total assets of all segments. Due to the complexity involved in the nature of business of our company, we are not in a position to segregate all the expenditure incurred for revenue generation from Government and Non-Government on the basis of customer details. Details of the product categories which individually contribute more than 10% of total income are as follows:

(Amounts in Lakhs)

Particulars	Product Group			
	Thailam	Gulika	Asavam	Choornam
Sales	5003.26	2341.83	2186.73	1846.87
Raw Material Cost	3051.99	491.78	1049.63	535.59
Packing Material cost	200.13	117.09	218.67	55.41
Conversion Cost	700.46	327.86	262.41	203.16
Selling and administration Cost	400.26	187.35	218.67	166.21
Net Profit	650.42	1217.75	437.35	886.50

We are able to provide only estimated data since nature and production process are different across the main categories of products (Asavarishtam, Choornam, Lehyam, Kashayam, Thailam, Gulika etc.) and contribution and net profit to price also vary among these categories.

2.13. Transactions with Related Parties - AS 18

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. Related party relationship has an effect on the financial position and operating results of the company.

2.14. Lease Hold Asset - AS 19

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

- i. The company is in possession of 83.44 acres of land at Kadannappilly Village, Kannur District. The lease rent fixed is ₹0.001 Lakhs per acre. The lease rent paid amounts to ₹0.10 Lakhs. 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 ₹0.01 Lakhs. The company constructed a building in this land in 2015 and the cost of building, ₹1.01 lakhs 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 since exact liability is not ascertainable.
- 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 ₹0.04 Lakhs 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, since exact liability is not ascertainable.



SL No	Description of Property	Place	Lease Year	Area
1	Land	Pariyaram (Kannur District)	1990	83.44 Acres
2	Land	Pathanapuram (Kollam District)	2012	0.10 Acres
3	Land	Muttathara (Thiruvananthapuram District)	2015	1.00 Acres

2.15. Earnings per share - AS 20

a) Basic 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. For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders should be the net profit or loss for the period after deducting preference dividends and any attributable tax thereto for the period.

b) Diluted Earnings Per Share:

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.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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. 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. Computation of EPS is as follows:



(Amount in Lakhs)

Particular	31.03.2024	31.03.2023
Profit and Loss for the Year (A)	4590.25	4246.64
Add: Dividends on Convertible Preference Shares & Tax	-	-
Add: Interest on Bonds Convertible into Equity Shares (net of tax)	-	-
Net Profit/(Loss) for calculation of Diluted EPS (B)	4590.25	4246.64
Weighted Avg. no. of Equity Shares in calculating Basic EPS (C)	459.39	443.46
Weighted Avg. no. of Equity Shares in calculating Diluted EPS (D)	459.92	443.73
EPS Basic - (A/C)	9.99	9.58
EPS Diluted - (B/D)	9.99	9.57

2.16. Taxes on Income - AS 22

Tax expense (tax saving) is the aggregate of current tax and deferred tax charged or credited to the statement of profit and loss for the period.

Tax expenses comprise of Current Tax and Deferred Tax.

i. Current Tax

Current tax is the amount of income tax determined to be payable (recoverable) in respect of the taxable income (tax loss) for a period.

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 write off the carrying amount of a Deferred Tax Assets 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 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.

(Amount in Lakhs)

Particulars	As at 31.03.2024
Depreciation	
Allowable as per Companies Act, 2013	340.53
Allowable as per Income Tax, 1961	372.11
Deferred Tax Liability on Depreciation	31.57
Other Expenses	
Allowable as per Companies Act, 2013	297.08
Allowable as per Income Tax, 1961	-
Deferred Tax Asset on Other Expenses	297.08
Timing Difference (Deferred Tax Asset)	265.51
Tax Rate Applicable (Tax rate - 22% + Surcharge - 10% + Cess - 4%)	25.168%
Deferred Tax Assets as on 31.03.2024	82.72
Deferred Tax Assets as on 31.03.2023	85.75
Deferred Tax Asset should be Reduced	3.03

2.17. Intangible Assets - AS 26

a) 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 life 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.

b) 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 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 during the year.

c) Research and Development Expenses

Research is undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services prior to the commencement of commercial production or use.

No Intangible Asset arising from research is recognised. Expenditure on research is recognised as an expense when it is incurred.

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 ₹15.84 Lakhs.

2.18. Provisions and Contingent liabilities - AS 29

I. Provisions:

A Provision is a liability which can be measured only by using a substantial degree of estimation. 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 required to settle the obligation and a reliable estimate can be made 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. 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 and there is no claim from the Government in this regard.

II. Contingent Liabilities:

- a) A Contingent liability is a possible obligation that arises from past events and 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 enterprise; or
- b) A present obligation that arises from past event but is not recognised because:
 - i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - ii. A reliable estimate of the amount cannot be made,

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:

- a. Company is in possession of 83.44 Acres of land leased from the Government. The Revenue Authorities directed (January 2022) to remit 2653.65 lakhs as lease rent arrears for the period from 2005-06 to 2020-21 failing which the land would be taken back and the matter would be brought to the attention of Government.

As per Order No: A2/268/2022 AYUSH-Part1 dated 27.11.2023 an intimation from Kerala Government received regarding this issue and informed to pay said amount within 2 months.

This amount has not been paid so far since the request for waiver is placed with Government and approval for payment was not given by Board. No other communication was received from the authority to the company till 31st March 2024. There is no Government order regarding this matter to pay the said amount to Government and both parties are Government department, so company expects a favourable decision in this regard and hence no provision is made in the accounts

2.19. Details of Benami Property Held:

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

2.20. Company has not made any borrowings from banks or financial institutions on the basis of security

2.21. Wilful Defaulter:

Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

2.22. Relationship with Struck off Companies:

Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

To be read with our attached Report of Even Date

For Manikandan & Associates

Chartered Accountants

Firm Regn No.008520S

For and on behalf of the Board of Directors

The Pharmaceutical Corporation (IM) Kerala Limited

Sd/-

Dr.T.K.Hrideek
Managing Director
(DIN : 09533284)

Sd/-

Sobhana George Ex.MLA
Chairperson
(DIN: 09499793)

Sd/-

Manikandan .C.K
(Managing Partner)
Membership No.208654
UDIN:

Sd/-

Vinitha
Company Secretary

Sd/-

P.M. Lathakumari
Chief Finance Officer

Place: Thrissur

Date: 26/10/2024

(CIN:U24231KL1975SGC002722)

BALANCE SHEET AS AT 31st MARCH, 2024

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

	Particulars	Note No	As at 31st March 2024	As at 31st March 2023
1	EQUITY AND LIABILITIES			
	Shareholders' Funds			
	(a) Share Capital	3	4627.60	4495.10
	(b) Reserves and Surplus	4	27468.11	22877.86
	(c) Money Received Against Share Warrants		-	-
			32095.71	27372.96
2	Share Application Money Pending Allotment		-	82.50
3	Non - Current Liabilities			
	(a) Long Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)		-	-
	(c) Other Long Term Liabilities	5	1087.85	1110.12
	(d) Long - Term Provisions	6	313.16	259.88
			1401.01	1370.00
4	Current Liabilities			
	(a) Short Term Borrowings		-	-
	(b) Trade Payables			
	(a) Total outstanding dues of micro enterprises and small enterprises; and	7	338.47	371.71
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1408.00	1060.53
	(c) Other Current Liabilities	8	3774.26	3438.67
	(d) Short - Term Provisions	9	1891.30	1873.29
			7412.03	6744.20
	TOTAL (1+2+3+4)		40908.75	35569.66
	ASSETS			
1	Non - Current Assets			
	(a) Property, Plant & Equipment and Intangible Assets			
	(i) Property, Plant and Equipment	10	2443.12	2619.11
	(ii) Capital Work-In-Progress	11	638.21	634.76
	(b) Non -Current Investments	12	0.30	0.30
	(c) Deferred Tax Assets (Net)	13	82.72	85.75
	(d) Long - Term Loans and Advances	14	2.30	2.30
	(e) Other Non - Current Assets	15	738.83	812.21
			3905.48	4154.43
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	16	3361.87	2818.61
	(c) Trade Receivables	17	3961.96	3237.71
	(d) Cash and Cash Equivalents	18	27166.46	23106.91
	(e) Short -Term Loans and Advances	19	2060.04	1802.77
	(f) Other Current Assets	20	452.94	449.23
			37003.27	31415.23
	TOTAL (1+2)		40908.75	35569.66
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 Manikandan & Associates
Firm Regn No.008520S

Sd/-
Manikandan .C.K
(Managing Partner)
Membership No.208654

Place : Thrissur
Date :26-10-2024

For and on behalf of the Board of Director
The Pharmaceutical Corporation (IM) Kerala Limited

Sd/-
Dr.T.K.Hrideek
Managing Director
(DIN : 09533284)

Sd/-
S.Vinitha
Company Secretary

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

Sd/-
P.M.Lathakumari
Chief Finance Officer

(CIN:U24231KL1975SGC002722)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2024

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

	Particulars	Note No	Year Ended 31st March 2024	Year Ended 31st March 2023
I.	Revenue From Operations	21	18512.65	17432.02
II.	Other Income	22	1612.94	1341.38
III.	Total Income (I + II)		20125.59	18773.39
IV.	Expenses:			
a.	Cost of Materials Consumed	23	9449.64	8342.46
b.	Purchases of Stock In Trade	24	25.92	78.34
c.	Changes In Inventories of Finished Goods,WIP & Stock-In-Trade	25	(342.28)	(23.20)
d.	Employee Benefits Expense	26	2779.91	2407.73
e.	Finance Costs		-	-
f.	Depreciation and Amortisation Expense	27	340.53	365.94
g.	Other Expenses	28	1644.44	1807.81
	Total Expenses		13898.16	12979.09
V.	Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		6227.43	5794.30
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) Before Extraordinary Items and Tax (V - VI)		6227.43	5794.30
VIII.	Extraordinary Items		-	-
IX.	Profit/ (Loss) Before Tax (VII - VIII)		6227.43	5794.30
X.	Tax Expenses			
1	Current Tax	29	1634.14	1529.86
2	Relating to Earlier Years (Net)		-	-
3	Deferred Tax		(3.04)	(17.80)
XI.	Profit/(Loss) for the Year from Continuing Operations (IX - X)		4590.25	4246.64
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)		4590.25	4246.64
XVI.	Earnings Per Equity Share:*			
1	Basic	30	9.99	9.58
2	Diluted		9.99	9.57
3	Nominal Value Per Equity Share		10.00	10.00
	* Earnings Per Equity Share is in Indian Rupees			
	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 Manikandan & Associates
Firm Regn No.008520S

Sd/-
Manikandan .C.K
(Managing Partner)
Membership No.208654

Place : Thrissur
Date :26-10-2024

For and on behalf of the Board of Director
The Pharmaceutical Corporation (IM) Kerala Limited

Sd/-
Dr.T.K.Hrideek
Managing Director
(DIN : 09533284)

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

Sd/-
S.Vinitha
Company Secretary

Sd/-
P.M.Lathakumari
Chief Finance Officer

(CIN:U24231KL1975SG002722)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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

	Particulars	FY 2023-24		FY 2022-23	
		Amount	Amount	Amount	Amount
I.	Cash Flow from Operating Activities				
	Cash / Bank Received from Sales of Products	18775.20		16359.34	
	Cash / Bank Received from Sales of Services	313.06		312.74	
	Cash / Bank received from Income Tax Refund	330.08			
	Cash / Bank Received from Other Income	235.50		79.64	
	Cash / Bank Payment to Purchase	(8896.20)		(9299.54)	
	Cash / Bank Payment to Employee Benefits	(2568.56)		(2328.10)	
	Cash / Bank Payment to Operating Expenses	(1390.41)		(1432.40)	
	Cash / Bank Payment to Income Tax	(1750.00)		(2102.60)	
	Net Cash flow used in/ from Operating Activities		5048.66		1589.08
II.	Cash Flow from Investing Activities				
	Payment for Purchase of Property, Plant and Equipment	(2055.38)		(39.68)	
	Interest from Fixed Deposits	1116.27		1124.71	
	Net Cash flow used in/ from Investment Activities		(939.12)		1085.03
III.	Cash Flow from Financing Activities				
	Advance for Issue of Share Capital	50.00		82.50	
	Dividend Payment	(100.00)		(100.00)	
	Net Cash flow used in/ from Financing Activities		(50.00)		(17.50)
	Net Increase / Decrease in Cash and Cash Equivalents		4059.54		2656.61
	Cash and Cash Equivalents at the beginning of the year		23106.91		20450.30
	Cash and Cash Equivalents at the end of the year		27166.45		23106.91

As per our Report of Even Date Attached
For Manikandan & Associates
Firm Regn No.008520S

Sd/-
Manikandan .C.K
(Managing Partner)
Membership No.208654

Place : Thrissur
Date :26-10-2024

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Sd/-
P.M.Lathakumari
Chief Finance Officer



(CIN:U24231KL1975SG002722)

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

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

3. Share Capital

Particulars	31st March 2024		31st March 2023	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Authorised Equity Shares of Rs.10/- each	5,00,00,000	5000.00	5,00,00,000	5000.00
	5,00,00,000	5000.00	5,00,00,000	5000.00
Issued Equity Shares of Rs.10/-each fully paid up	4,62,75,972	4627.60	4,49,50,972	4495.10
Subscribed & Paid up Equity Shares of Rs.10/-each fully paid up	4,62,75,972	4627.60	4,49,50,972	4495.10
Subscribed but not fully Paid up Equity Shares of Rs.10/-each fully paid up	-	-	-	-
Total	4,62,75,972	4627.60	4,49,50,972	4495.10

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31st March 2024		31st March 2023	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Shares of Rs.10				
Shares Outstanding at the beginning of the year	4,49,50,972	4495.10	4,49,50,972	4495.10
Shares Issued during the year	13,25,000	132.50	-	-
Shares Bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	4,62,75,972	4627.60	4,49,50,972	4495.10

b. Terms/ rights attached to equity shares:

The company has only one class of shares referred to as equity shares having a par value of Rs 10 . Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the company.

In the event of liquidation, the equity share holders are entitled to receive remaining assets of the company(after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.



c. Details of shareholders holding more than 5% shares in the company

Name of Shareholder	31st March 2024		31st March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Governor of Kerala	4,62,75,960	99.99%	4,49,50,960	99.99%

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.

d. Details of share held by the promoter and percentage of change.

Promoter name	Shares held by promoter as at 31st March 2023		Shares held by promoter as at 31st March 2024		% Changes During the year
	No of Shares	% of Total Shares	No of Shares	% of Total Shares	
Governor of Kerala	4,62,75,972	99.99%	4,49,50,972	99.99%	2.95%

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

NIL

g. Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date

NIL

h. Calls unpaid and Shares Forfeited

NIL

As per our Report of Even Date Attached
For Manikandan & Associates
Firm Regn No.008520S

Sd/-
Manikandan .C.K
(Managing Partner)
Membership No.208654

Place : Thrissur
Date :26-10-2024

For and on behalf of the Board of Director
The Pharmaceutical Corporation (IM) Kerala Limited

Sd/-
Dr.T.K.Hrideek
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Company Secretary

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Sobhana George Ex.MLA
Chairperson
(DIN : 09499793)

Sd/-
P.M.Lathakumari
Chief Finance Officer



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

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

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
4 Reserves and Surplus		
(a) Capital Reserve		
Opening Balance	6.98	6.98
(+) Amount transferred from		
Surplus in Profit and Loss Account	-	-
Closing Balance	6.98	6.98
(b) Retained Earnings		
Opening Balance	22870.88	18624.25
(+) Profit for the year	4590.25	4246.64
(-) Proposed Dividend		
Closing Balance	27461.13	22870.88
Grand Total	27468.11	22877.86
5 Other Long Term Liabilities		
a. Security Deposit*	384.79	391.29
b. Other Liabilities	703.06	718.84
Total	1087.85	1110.12

"*The company has established a policy to withhold an amount equivalent to a specified percentage of the total contract value as Earnest Money Deposits (EMDs) from bidders during the bidding process for production material supply contracts. Upon finalization of the contract, the amount specified in the agreement between the company and the contractor is transferred to Security Deposits, and any remaining balance in the contractor's Earnest Money Deposit is refunded. For e-tenders, EMDs are refunded immediately upon contract solidification. In the case of other tenders, all unsuccessful bidders receive a full refund of their Earnest Money thereafter.

For works contracts, the company retains a specified percentage of the total contract value as Retention Deposit at the time of agreement with successful bidders, which is held until the completion of the work. The retention money is subsequently refunded according to the company's prevailing policy or within a timeframe specified in the relevant agreement.

Security Deposits are typically refunded on or before the 45th day following the conclusion of the six-month periods ending in April and October, unless a different timeframe is specified in the agreement. The company also accepts non-interest-bearing dealership deposits of Rs. 0.10 lakhs from dealers when establishing outlets nationwide, which are refundable upon cancellation. Dealers are offered medicines at a discount ranging from 24% to 30%."



*Of the total Security Deposits, Rs. 19.01 lakhs in Earnest Money Deposits have been outstanding for more than three years. The Retention Deposits, totaling Rs. 140.32 lakhs, include Rs. 120.62 lakhs in deposits that have been outstanding as liabilities for over three years.

6. Long Term Provisions

	Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a.	Provision for employee benefits		
	Pay Revision Arrear	313.16	259.88
	Total	313.16	259.88

7. Trade Payables

	Particulars	As at 31st Mar 2024	As at 31st Mar 2023
b.	Trade Payables	1746.47	1432.24
	Total	1746.47	1432.24

Outstanding for following periods from due date of payment

Sl. No	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i.	MSME	338.47	-		-	338.47
ii.	Others	1378.59	1.52	9.27	18.63	1408.00
iii.	Disputed dues					
	a. MSME	-	-		-	-
	b. Others	-	-		-	-

8. Other Current Liabilities

	Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a.	Advance from Customers	1647.58	1339.52
b.	Other Payables*	2126.68	2099.15
	Total	3774.26	3438.67

*Other payables includes provision on arrears of property tax and surcharge payable on twelve buildings located at Kuttanellur land, as per the demand notice produced against the company under Rule 14(1) of Kerala Municipality/ Panchayath Raj (Property Tax and Service tax surcharge) Rules, 2011, amounting to Rs. 74.81 lakhs.

*Other payables also includes provision created on payment of GST on Hired transport expenses under Reverse Charge Mechanism amounting to Rs. 6.86 lakhs.



9. Short Term Provisions

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Provision for employee benefits Pay Revision Arrear	101.53	53.29
	101.53	53.29
b. Other Provisions		
CSR Provision*	155.63	190.13
Provision for Income Tax	1634.14	1529.86
Proposed Dividend**	0.00	100.00
	1789.77	1820.00
Grand Total	1891.30	1873.29

*During the current financial year, an amount of Rs. 2.87 lakhs has been spent on Corporate Social Responsibility activities. Additionally, Rs. 125.45 lakhs has been transferred to the National Ayush Mission (NAM). The provision to be created based on the current year's profits amounts to Rs. 93.82 lakhs. The unspent amount of provision for FY 2021-22 was Rs. 23.99 lakhs, which is to be spent before FY 2024-25.

**A dividend of Rs. 100 lakhs was proposed based on the profit for the financial year 2022-23 during the board meeting held on October 26, 2023. As the dividend has not been declared, no provision has been made for the current financial year.

10. Property, Plant & Equipment and Intangible Assets

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Property, Plant and Equipment	2443.12	2619.11
Intangible Assets	-	-
Total	2443.12	2619.11

11. Capital Work In Progress

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Factory and Hospital Building*	638.21	634.76
Total	638.21	634.76

*Pursuant to provisions in the agreement dated 18th December 2018, entered into between the Company as the first party and M/s Servotech India Limited as the second party on design, supply and erection of Oil and Lehyam Plant, second party invoked the arbitration clause subsequent to some disputes between the parties. The company has paid an amount of Rs. 381.61 lakhs for the work performed upto the current financial year. The company resolved to settle amicably, the arbitration proceedings and pursuant to the resolution, decided to pay 50% of balance amount to be payable together with Treasury fixed deposit, Earnest Money and advance, aggregating to Rs. 74.44 lakhs, as mentioned in the additional agreement entered into on 6th July 2024. The contractor has agreed to complete the remaining piping and instrumentation work on within 6 to 9 months on receipt of above mentioned amount, along with additional Purchase Order.

*The company owes Rs. 56.98 lakhs to M/s Servotech India Limited under the agreement, towards remaining 50% payable in connection with design, supply and erection of Oil and Lehyam plant. The amount is payable within one month from the date of successful completion, trial run and commissioning of the said plant.



12. Non Current Investments

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Long Term Non Trade Investments (Unquoted)*	0.30	0.30
Total	0.30	0.30

*Long term investment constitutes investment in two equity shares of Confederation for Ayurvedic Renaissance Keralam Limited, of Rs. Fifteen thousand each.

13. Deferred Tax Assets (Net)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Deferred Tax Assets		
Opening Balance	85.75	103.55
Depreciation and Other Expense	(3.04)	(17.80)
Total Deferred Tax Assets(A)	82.72	85.75
b. Deferred Tax Liabilities		
Depreciation and Other Expense	-	-
Total Deferred Tax Liabilities (B)	-	-
Grand Total	82.72	85.75

14. Long Term Loans and Advances

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Other Loans And Advances		
Loans and Advances Unsecured -		
Considered good*	2.30	2.30
Total	2.30	2.30

15. Other Non-Current Assets

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Security Deposit	68.31	67.00
b. Other Non-Current Assets*	670.52	745.21
Total	738.83	812.21

*Other Non-Current Assets include the actuarial valuation for gratuity and the Group Leave Encashment Scheme (GLES), with the fair value of plan assets amounting to Rs. 587.75 lakhs and Rs. 59.89 lakhs, respectively.

*Provision for Sales Tax pending (liability) and Sales tax receivable (Asset) are set off and the net amount of Rs. 6.49 lakhs is disclosed in under "Other Non current Assets". The company has no dues remaining to be payable as statutory payables in this respect.



16. Inventories

	Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a.	Raw Materials	561.87	382.21
b.	Work-in-Progress	504.53	377.73
c.	Finished Goods	1983.21	1767.73
d.	Containers & Packing Materials	186.29	173.57
e.	Furnace Oil	21.11	11.17
f.	Spares	99.62	106.20
g.	Live Plant	5.24	.00
Total		3361.87	2818.61

There is change in method of inventory valuation as disclosed in note no. 2.2 during the year, which is in line with Accounting Standard 2 except that of Finished Goods which is valued at Selling price which is the method adopted during the previous year. The change in method of valuation has resulted in increase in value of closing stock to the tune of ₹ 663.24 lakhs and hence the closing stock is overstated to this extent compared to previous year valuation.

*Live plants are now classified as inventory as of the current financial year, and are valued at cost in the financial statements

17. Trade Receivables

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Trade Receivables	3961.96	3237.71
Total	3961.96	3237.71

Outstanding for following periods from due date of payment

Sl. No	Particulars	Less than 6 months	6 months to 1 year"	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade receivables						
	Secured						
	a. Considered Good	-	-	-	-	-	-
	b. Considered Doubtful	-	-	-	-	-	-
	Unsecured						
	a. Considered Good	3436.34	139.36	54.08	27.66	305.15	3962.59
	b. Considered Doubtful	(0.63)	-	-	-	-	(0.63)



ii. Disputed Trade Receivables							
Secured							
a. Considered Good	-	-	-	-	-	-	-
b. Considered Doubtful	-	-	-	-	-	-	-
Unsecured							
a. Considered Good	-	-	-	-	-	-	-
b. Considered Doubtful	-	-	-	-	-	-	-

18. Cash and Cash Equivalents

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Balance With Banks	2720.62	3498.68
b. Cash on Hand	2.63	2.27
c. Stamps on Hand	0.08	0.08
d. Other Bank Balances		
i. District Treasury SB A/c	2289.32	2952.08
ii. Deposits with Maturity of More than Three Months Balances with the bank to the extent held as security*	44.62	44.62
Fixed Deposits	22109.19	16609.19
Total	27166.46	23106.91

*Balance with the bank to the extent held as security amounting to Rs. 44.62 lakhs includes the following:

- 1) Amount of Rs.17.89 lakhs deposited with the National Ayush Mission (NAM), Government of Odisha, in the financial year 2019-20, as Earnest Money Deposit for a bid to supply ayurvedic medicines to government Ayurvedic dispensaries, hospitals, AYUSH clinics, PHCs, and CHCs in the state. The tender submitted by the company was subsequently rejected due to the company's blacklisting by the AYUSH Society of Rajasthan at the time of tender finalization.
- 2) Amount of Rs. 20.98 lakhs as bank guarantee against consent fee in favour of Kerala State Pollution Control Board, with Punjab National Bank, with a maturity period of two years and six months, demanded in the FY 2021-22.
- 3) Amount earmarked as bank guarantee of Rs. 5.35 lakhs towards litigation with M/s Bharath Trading Company, in which the company is the defendant. The bank guarantee is with Punjab National Bank, in favour of M/s Sub Court Thrissur, with 100% security in the form of FDR No. 591300PU00003806 having maturity upto 24th October 2024.



- 4) An amount of Rs. 0.39 lakhs as bank guarantee in favour of Jharkhand Medical and Health Infrastructure Development & Procurement Corporation Limited, Ranchi against tender number JMC/NIT-19/AYUSH/22 dated 16th August 2019, with Punjab National Bank, Kuttanellur branch.

19. Short Term Loans and Advances

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Other Loans & Advances		
a. Secured, considered good		
i. Prepaid Taxes	1883.40	1627.06
ii. Other Advances	1.01	1.29
iii. Advances recoverable in cash or in kind or value to be received*	160.19	160.04
	2044.60	1788.39
b. Unsecured, Considered Good		
i. Staff Advance	12.96	11.03
ii. Advance towards Suppliers	2.48	3.35
	15.44	14.38
Grand Total	2060.04	1802.77

*The company has established a Research and Development Society to conduct scientific research. The amount of Rs. 160.19 lakhs is receivable from the society to the company.

20. Other Current Assets

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Interest Accrued on Other Deposits	7.00	4.64
b. Interest Accrued on Bank and Treasury Deposits	217.43	165.57
c. Income Tax Refunds Due	00	54.96
d. Other Current Assets	228.51	224.06
	452.94	449.23



21. Revenue From Operations

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Sale of Products	18088.79	17015.71
b. Sale of Services - Panchakarma Proceeds	313.66	313.34
c. Sale of Stock In Trade	110.20	102.97
	18512.65	17432.02

22. Other Income

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Interest on Security Deposit with KSEB	1.67	1.65
b. Interest on Bank Deposit	241.95	115.67
c. Interest on Treasury Deposit	1264.81	1143.70
d. Rent Received	5.67	6.11
e. Grant in Aid-Receipt	7.01	4.13
f. Miscellaneous Income	91.83	70.12
	1612.94	1341.38

23. Cost of Materials Consumed

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Opening Stock	673.15	759.91
b. Purchases	9647.52	8253.70
c. Direct Expenses	3.11	1.99
	10323.78	9015.61
d. Less : Closing Stock	874.14	673.15
Total	9449.64	8342.46

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. The consumption is arrived at on adding cost of goods sold and other incidental expenses. Purchase is arrived through reverse working of cost of goods sold formula, since, there is no particular ledger for recording purchases.



24. Purchases of Stock In Trade

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Purchase of Siddha Medicine	14.06	53.15
b. Purchase of Unani Medicine	11.86	25.18
	25.92	78.34

25. Changes in Inventories of Finished Goods and Work-in-Progress

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Opening Stock		
a. Finished Goods	1767.73	1673.85
b. Work-in-Progress	377.73	448.42
	2145.46	2122.27
Closing Stock		
a. Finished Goods	1983.21	1767.73
b. Work-in-Progress	504.53	377.73
	2487.74	2145.46
Grand Total	(342.28)	(23.20)

The Company has revised the method of inventory valuation from the current financial year. As per the new practice, deduction of a specified percentage as a provision towards driage or any other deterioration has now been ceased, due to which, there is an upward movement in the value of closing inventory by Rs. 663.24 lakhs. The value of opening stock, if it had been valued as per current practice would be Rs. 695.25 lakhs.

26. Employee Benefits Expenses

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Salaries, Wages, Allowances and Bonus*	2426.53	2102.97
b. Contribution to Provident and Other Funds	192.71	171.98
c. Staff Welfare Expenses	160.67	132.78
Total	2779.91	2407.73



The supply of free medicines to staff, directors and voluntary organizations during the year is ₹ 25.37 lakhs (Previous year ₹29.42 lakhs).

27. Depreciation and Amortisation Expenses

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Depreciation on Tangible Assets	340.53	365.94
	340.53	365.94

28. Other Expenses

Administrative Expenses

i. Power and Fuel	187.10	171.03
ii. Rent	10.25	10.45
iii. Rates and Taxes	89.50	86.75
iv. Travelling and Conveyance	58.54	51.62
v. Advertisement Charges	159.24	119.70
vi. Sales Promotion Expenses	234.30	328.92
vii. Carriage Outwards	62.99	67.1
viii. Postage and Telephone	10.26	15.26
ix. Printing and Stationery	12.26	9.15
x. Insurance	13.74	11.21
xi. Bank Charges and Commission	1.41	1.48
xii. Payments to Auditors As:		
For Statutory Audit	2.00	2.00
For Tax Audit	0.30	.25
For Internal Audit	2.10	2.10
For Cost Audit	0.50	.50
xiii. Legal and Professional Charges	12.85	79.64
xiv. CSR Expenses	93.82	222.54
xv. EDP Expenses	38.59	35.74
xvi. R&D Laboratory Expenses	15.84	10.42
xvii. Grant In Aid-Expense	13.91	18.18

1019.50 **1244.08**

b. Repairs and Maintenance

i. Plant and Machinery	172.25	170.36
ii. Building	92.38	102.13
iii. Vehicles	35.02	33.28
iv. Others	27.07	25.89

326.72 **331.66**



Particulars	As at 31st Mar 2024	As at 31st Mar 2023
c. Miscellaneous Expenses		
i. Effluent Treatment Plant Expenses	20.17	24.38
ii. Medicinal Plant Cultivation Expenses	31.76	11.16
iii. Office Expenses	15.43	9.44
iv. Hired Transport	160.65	161.14
v. General Charges	70.21	25.96
	298.22	232.07
Grand Total	1644.44	1807.81
29. Tax Expenses		
Current Tax		
Income Tax	1634.14	1529.86
Deferred Tax	(3.04)	(17.80)
Total	1637.18	1547.67
30. Earnings Per Share		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit/(loss) for calculation of basic EPS	4,590	4,247
Net profit/(loss) for calculation of diluted EPS	4,590	4,247
Weighted average number of equity shares in c alculating basic EPS (Nos.)	459	443
Weighted average number of equity shares in calculating diluted EPS (Nos.)	460	444
EPS:		
(1) Basic	9.99	9.58
(2) Diluted	9.99	9.57

As per our Report of Even Date Attached
For Manikandan & Associates
Firm Regn No.008520S

Sd/-
Manikandan .C.K
(Managing Partner)
Membership No.208654

Place : Thrissur
Date :26-10-2024

For and on behalf of the Board of Director
The Pharmaceutical Corporation (IM) Kerala Limited

Sd/-
Dr.T.K.Hrideek
Managing Director
(DIN : 09533284)

Sd/-
S.Vinitha
Company Secretary

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

Sd/-
P.M.Lathakumari
Chief Finance Officer



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

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

Note No : 7 Trade Payables : FY 2023-24

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i.	MSME	338.47	-	-	-	338.47
ii.	Others	1378.59	1.52	9.27	18.63	1408.00
iii.	Disputed dues					
	a. MSME	-	-	-	-	-
	b. Others	-	-	-	-	-

Trade Payables : FY 2022-23

Sl. No	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i.	MSME	371.71	-	-	-	371.71
ii.	Others	1032.17	9.27	.24	18.85	1060.53
iii.	Disputed dues					
	a. MSME	-	-	-	-	-
	b. Others	-	-	-	-	-



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(All amounts are in Indian Rupees unless otherwise stated)

Note: 10 Property, Plant & Equipment:

(Amount in Lakhs)

Sl. No.	Tangible Assets	Gross Block				Depreciation Block				Net Block	
		As on 01-04-2023	Additions	Total	Disposals	As on 31-03-2024	Depn. up to 01-04-2023	Depn. For the year	Disposals	Depn. up to 31-03-2024	As on 31-03-2024
1	Land	3.06	-	3.06	-	3.06	-	-	-	-	3.06
2	Building	4317.23	11.99	4329.22	-	4329.22	2389.42	187.70	-	2577.12	1752.09
3	Data Processing Machine	157.04	8.98	166.03	-	166.03	141.10	9.65	-	150.75	15.28
4	Furniture & Fittings	141.37	3.65	145.02	-	145.02	116.61	6.15	-	122.75	22.27
5	Motor Vehicles	149.88	2.34	152.22	-	152.22	132.20	5.05	-	137.25	14.97
6	Office Equipment	147.18	5.41	152.59	-	152.59	126.35	8.90	-	135.26	17.34
7	Plant and Machinery	1933.41	113.15	2046.56	-	2046.56	1463.67	86.11	-	1549.78	496.78
8	Laboratory Equipment	137.77	19.03	156.80	-	156.80	57.77	21.59	-	79.36	77.44
9	Electrical Equipment	187.67	-	187.67	-	187.67	128.38	15.39	-	143.77	43.90
10	Library	0.23	-	0.23	-	0.23	0.23	-	-	0.23	0.00
11	Live Stock	0.07	-	0.07	-	0.07	0.07	-	-	0.07	0.00
Total		7174.92	164.54	7339.46	-	7339.46	4555.80	340.53	-	4896.34	2443.12
Previous Year		7125.51	206.56	7332.07	157.15	7174.92	4339.17	365.94	149.31	4555.80	2619.11

* 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 2024

17. Trade Receivables : FY 2023-24

(Amount in Lakhs)

Sl. No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1-2 years to 1 year	2-3 years	More than 3 years	Total
i.	Undisputed Trade receivables						
	Secured						
	a. Considered Good	-	-	-	-	-	-
	b. Considered Doubtful	-	-	-	-	-	-
	Unsecured						
	a. Considered Good	3436.34	139.36	54.08	27.66	305.15	3962.60
	b. Considered Doubtful	(0.63)	-	-	-	-	(0.63)
ii.	Disputed Trade Receivables						
	Secured						
	a. Considered Good	-	-	-	-	-	-
	b. Considered Doubtful	-	-	-	-	-	-
	Unsecured						
	a. Considered Good	-	-	-	-	-	-
	b. Considered Doubtful	-	-	-	-	-	-
Trade Receivables : FY 2022-23							
Sl. No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1-2 years to 1 year	2-3 years	More than 3 years	Total
i.	Undisputed Trade receivables						
	Secured						
	a. Considered Good						
	b. Considered Doubtful	-	-	-	-	-	-
	Unsecured						
	a. Considered Good	2694.91	50.85	279.24	79.49	133.85	3238.34
	b. Considered Doubtful	(0.63)	-	-	-	-	(0.63)
ii.	Disputed Trade Receivables						
	Secured						
	a. Considered Good	-	-	-	-	-	-
	b. Considered Doubtful	-	-	-	-	-	-
	Unsecured						
a.	Considered Good	-	-	-	-	-	-
b.	Considered Doubtful	-	-	-	-	-	-

As per our Report of Even Date Attached
For Manikandan & Associates
Firm Regn No.008520S

Sd/-
Manikandan .C.K
(Managing Partner)
Membership No.208654

Place : Thrissur
Date :26-10-2024

For and on behalf of the Board of Director
The Pharmaceutical Corporation (IM) Kerala Limited

Sd/-
Dr.T.K.Hrideek
Managing Director
(DIN : 09533284)

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

Sd/-
S.Vinitha
Company Secretary

Sd/-
P.M.Lathakumari
Chief Finance Officer



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

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

Particulars	As at 31st March 2024	As at 31st March 2023
30. Earnings Per Share (EPS)		
Total Operations for the Year		
Profit/(Loss) After Tax	4590.25	4246.64
Net profit/(loss) for calculation of basic EPS (A)	4590.25	4246.64
Net Profit as above	4590.25	4246.64
"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)	4590.25	4246.64
Weighted Average Number of Equity Shares in calculating Basic EPS (C)	459.39	443.46
Effect of Dilution:		
Weighted Average Number of Equity Shares in calculating Diluted EPS (D)	459.92	443.73
Weighted Average Number of Equity Shares	459.92	443.73
Number of Potential Equity Shares against advance for Share Capital Pending Allotment	-	-
Earnings Per Share (A/C)		
(Basic)	9.99	9.58
(Diluted)	9.99	9.57



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

31. Additional Information

a) Grants

Details of opening grant in aid, grant received and balance to be utilised during 2023-24 are as follows:

(Amount in Lakhs)

Particulars	Balance as on 01-04-2023	Grant received during the the year	Utilised during year	Balance as on 31-03-2024
Grant in Aid - SMPB/KL/26/2019	2.75	----	----	2.75
Grant in Aid - DAME For Medicinal Garden	0.58	----	0.58	----
Grant-SMPB/KL/20/ 2020-CF-71	0.73	----	----	0.73
GRANT-SMPB/KL/20/ 2020-CF-72	1.43	----	1.43	----
GRANT-SMPB/KL/10/ 2021/P/QPM-01	5.00	----	5.00	----
SMPB/kl/23/2023/NAM-SDG-01	----	10.00	----	10.00
SMPB/KL/23/2023/NAM-DS-01	----	10.00	----	10.00
SMPB/KL/35/2022/P/23-24/QPM-01	----	5.00	----	5.00
Grant-SMPB/KL/22/2023-24/SHG-132	----	0.22	----	0.22
Total	10.49	25.22	7.01	28.70

b) Related Party Disclosure:

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

Sl. No.	Key Managerial Personnel/Directors	Relationship
1	Sobhana George	Chairperson
2	Thoduvayil Karunakaran Hrideek	Managing Director
3	Preeya	Director
4	Preetha Sukumaran Nair	Director
5	Vijayakumar Sivanandan	Director
6	Balan Thekke Veettil	Director
7	Padmanabhan Kolangarayath	Director
8	Kuriakose Plaparambil	Director
9	Davis Francis Kakkassery	Director
10	Seema S	Director
11	Mohanadasan Edayat Nedumpurath	Director
12	Sankarankutty Athenkayil	Director
13	Kunhiraman Kariyamkod	Director
14	Vinitha Sankaran	Company Secretary
15	Lathakumari Panjath Madhavan	Chief Finance Officer



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

Details of related party transactions (Remuneration and Payments) during the year ended March 31, 2024

(Amounts in Lakhs)

Sl. No	Name of the Party	Relationship	Amount
1.	Sobhana George	Chairperson	3.71
2.	Thoduvayil Karunakaran Hrideek	Managing Director	7.54
3.	Mohanadasan Edayat Nedumpurath	Director	0.05
4.	Sankarankutty Athenkayil	Director	0.06
5.	Kunhiraman Kariyamkod	Director	0.03
6.	Balan Thekke Veettil	Director	0.21
7.	Padmanabhan Kolangarayath	Director	0.25
8.	Kuriakose Plaparambil	Director	0.16
9.	Davis Francis Kakkassery	Director	0.27
10.	Vinitha Sankaran	Company Secretary	15.69
11.	Lathakumari Panjath Madhavan	Chief Finance Officer	16.57
	Total		44.54

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.

c) Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2024

(Amounts in Lakhs)

Item No	Disclosures required under the Micro, Small & Medium Development Act, 2006	31st March 2024	31st March 2023
1.	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	338.47	371.71
2.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
3.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
4.	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.	-	-
5.	The amount of interest accrued and remaining unpaid at the end of the accounting year.	1.67	1.28



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

6.	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.	-	-
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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. The amount of interest accrued and remaining unpaid at the end of the accounting year is estimated to be ₹1.67 lakhs, However no provision has been provided in the accounts.

d) Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 the company has to spent a cumulative amount of ₹93.82 lakhs during the financial year 2023-24 under CSR activities but the Company have spent only ₹2.87 lakhs and has transferred ₹90.95 lakhs to be spent on ongoing project.

Particulars	Amount / Remarks
Amount required to be spent by the company during the year	₹93.82 lakhs
Amount of expenditure incurred	₹2.87 lakhs
Unspent amount transferred at the end of the year (A)	₹90.95 lakhs
Total of previous years Unspent Amount (till FY 2022-23) (B)	₹72.24 lakhs
Total Unspent Amount (A+B)	₹163.18 lakhs
Reason for Amounts Being Unspent	The Company has identified an Ongoing project for Constructing International standard Panchakarma hospital complex to meet educational needs of students at Poojapura campus of Thiruvananthapuram Ayurveda college.
Nature of CSR activities	Various items issued to Government Hospitals.
Details of Related Party transactions	Nil
Provision made with respect to a liability incurred by entering into a contractual obligation	Nil

e) Details of Benami Property Held:

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

f) Company has not made any borrowings from banks or financial institutions on the basis of security



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

g) Wilful Defaulter:

Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

h) Relationship with Struck off Companies:

Company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

i) Registration of charges or satisfaction with Registrar of Companies

(Amounts in Lakhs)

SI No	SRN	Charge ID	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
1.	Y10097317	90022667	The Nedungadi Bank Limited	20/06/2001	-----	-----	50.00
2.	Y10096484	90021834	Kerala Financial Corporation	02/08/1989	03/08/1989	-----	52.00

Regarding Sl. No 1: The Charge was created with The Nedungadi Bank Limited during the FY 2001-02. In 2003, the Punjab National Bank (PNB) took over Nedungadi Bank Limited. Thus, even though the Charge was closed, we were unable to take necessary actions to file the satisfaction of charge.

Regarding Sl. No 2: The Charge was created with Kerala Financial Corporation and modified during the FY 1989-90. The charge was completed during the FY 1999-2000 and we have filed the Satisfaction of charge with Registrar of Companies on 23-09-1999 via Form No. 13 and Form No.17.

j) Compliance with number of layers of companies:

Company has no Subsidiaries.

k) Ratios:

Particulars	Current Year Ratio	Previous Year Ratio	% of Change in Ratio	Reason for Change
Current Ratio	4.99	4.66	7%	% of Changes in ratio is not more than 25% Additional remarks required
Debt - Equity Ratio	0.27	0.30	-7%	
Debt - Service Coverage Ratio	NA	NA	NA	
Return on Equity Ratio	0.14	0.16	-8%	
Inventory Turnover Ratio	5.99	6.12	-2%	
Trade Receivable Turnover Ratio	5.14	6.19	-17%	



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

Trade Payable Turnover Ratio	6.07	6.25	-3%	% of Changes in ratio is not more than 25% - Additional remarks nor required
Net Capital Turnover Ratio	0.58	0.63	-9%	
Net Profit Turnover Ratio	0.25	0.24	2%	
Return on Capital employed	0.19	0.20	-8%	
Return on Investment	0.14	0.15	-7%	

I) Compliance with approved Scheme(s) of Arrangements

Company didn't entered into any scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

m) Utilisation of Borrowed funds and share premium:

- Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

n) Cash & 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.

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

Earmarked balances with banks

(Amount in Lakhs)

SL No	Bank Name	Type	Amount Balance as on 31.03.2024
1	Punjab National Bank	Dividend	0.18
2	Punjab National Bank	Corporate Social Responsibility	31.54
3	Punjab National Bank	Corporate Social Responsibility	40.70



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

o) Derivative

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.

p) 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.

q) 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. The value of closing stock is ₹5.24Lakhs based on the expenditure incurred for cultivation of medicinal plants. Hence the total expenditure incurred during the year amounting to ₹31.76 lakhs is debited to Statement of Profit and Loss.

r) Non-Resident Shareholders

The company does not have any non-resident shareholders as on date.

s) 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

(Amounts in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Salaries	1011.74	901.40
Wages and allowances	1207.76	1026.67
Bonus and Ex-gratia	134.27	124.84
Stipend	5.60	3.34
Honorarium to Chairperson	2.40	2.20
Employee benefit plans	225.42	177.30
Total	2587.19	2235.75



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

b. Defined contribution plan

(Amounts in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Provident Fund	160.31	142.57
Employee state insurance	32.39	29.41
Less: PMRY Benefit received	-	-
Total	192.67	171.98

c. Gratuity

(Amounts in Lakhs)

Changes in the present value of the defined benefit obligation are as follows (Gratuity)	31st March 2024	31st March 2023
Opening defined benefit obligation	539.65	497.07
Interest cost	39.12	34.80
Current service cost	36.13	37.14
Benefits paid	(36.06)	(37.13)
Actuarial loss / (gain) on obligation	(38.19)	7.77
Closing defined benefit Obligation	540.65	539.65

■ Profit and Loss account: -

(Amounts in Lakhs)

Net Employee Benefit Expense (Gratuity)	31st March 2024	31st March 2023
Current service cost	36.13	37.14
Interest cost on benefit obligation	39.12	34.80
Expected return on plan assets	(41.50)	(40.33)
Net actuarial (gain)/loss recognized in the year	(38.19)	7.77
Net (benefit) / expense	(4.44)	39.38

■ Balance Sheet: -

Amounts in Lakhs)

Reconciliation of present value of the obligation and the fair value of plan assets (Gratuity)	31st March 2024	31st March 2023
Present value of obligations as at the end of the year	540.65	539.65
Fair value of plan assets as at the end of the year	587.75	569.03
Asset/(Liability) recognized in the Balance Sheet	47.10	29.38



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

*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.

d. Leave Encashment

(Amounts in Lakhs)

Changes in the present value of the defined benefit obligation are as follows (Leave Encashment):	31st March 2024	31st March 2023
Opening defined benefit obligation	151.93	147.19
Interest cost	11.02	10.67
Current service cost	23.37	26.31
Benefits paid	(84.04)	-
Actuarial loss / (gain) on obligation	34.24	(32.25)
Closing defined benefit Obligation	136.52	151.92

■ Profit and Loss account: -

(Amounts in Lakhs)

Net Employee Benefit Expense (Leave Encashment)	31st March 2024	31st March 2023
Current service cost	23.37	26.31
Interest cost on benefit obligation	11.02	10.67
Expected return on plan assets	(2.55)	(2.32)
Net actuarial (gain)/loss recognized in the year	34.24	(32.25)
Net (benefit) / expense	66.08	2.41

■ Balance Sheet: -

(Amounts in Lakhs)

Reconciliation of present value of the obligation and the fair value of plan assets (Leave Encashment)	31st March 2024	31st March 2023
Present value of obligations as at the end of the year	136.52	151.92
Fair value of plan assets as at the end of the year	59.89	35.82
Asset/(Liability) recognized in the Balance Sheet	(76.63)	(116.10)

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.



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

t) The disclosure of the production and consumption of resources during the year

■ Raw Materials Consumed: -

(Amounts in Lakhs)

Classification of Items	31st March 2024		31st March 2023	
	Qty	Value	Qty	Value
1. Imported	Nil	Nil	Nil	Nil
2. Indigenous				
a. Gingelly Oil	5.36	1,180.47	4.89	962.27
b. Coconut Oil	5.07	624.00	4.64	567.50
c. Milk	11.83	585.38	11.33	467.70
d. Ghee	.73	332.80	.72	318.00
e. Jaggery	7.48	331.88	8.28	298.31
f. Gulgulu	.26	282.30	.26	313.69
g. Chukku	1.02	206.41	0.97	100.79
h. Cheenathippali	0.37	195.18	0.35	210.52
i. Kurunthottiveru Unakka	1.46	174.22	1.42	116.80
j. Jeerakam	0.29	173.27	0.28	72.80
k. Others *	50.61	3,768.00	48.69	3,449.28
Total		7,853.91		6,877.66

*Other than Top 10 Consumption items

■ Particulars in respect of stock

(Amounts in Lakhs)

Classification of Medicines	Unit	FY 2023-24				FY 2022-23			
		Opening Stock		Closing Stock		Opening Stock		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Asavarishtam	Ltr	3.18	340.20	1.78	265.17	2.87	334.80	3.18	340.20
Liquid Kashayam	Ltr	0.18	57.51	0.13	49.84	0.12	37.96	0.18	57.51
Thylam	Ltr	1.15	436.25	0.79	392.21	1.50	576.28	1.15	436.25
Lehyam	Kg	0.71	238.69	0.34	169.02	0.62	251.15	0.71	238.69
Gritham	Ltr	0.10	60.91	0.10	82.18	0.08	54.17	0.10	60.91
Chooranam	Kg	0.45	214.48	0.29	176.34	0.33	161.73	0.45	214.48
Pills and Capsules	No	262.43	333.53	365.99	664.59	86.35	149.70	262.43	333.53
Kashayachooranam	Kg	0.44	83.75	0.77	175.90	0.57	105.67	0.44	83.75
Bhasma Sindhooram	Kg	0.001	2.41	0.0001	7.97	0.001	2.24	0.001	2.41
Total			1767.73		1983.21		1673.70		1767.73



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

■ Particulars of Sales Turnover

Classification of Medicines	Unit	Sales Quantity	
		31st March 2024	31st March 2023
1. Asavarishtam	LTR	15.22	14.95
2. Bhasma Sindhooram	LTR	.01	.006
3. Choornam	LTR	4.04	3.67
4. Gritham	KG	.42	0.40
5. Kashaya Choornam	LTR	5.51	5.45
6. Lehyam	KG	4.24	3.96
7. Liquid Kashayam	KG	2.21	2.16
8. Pills and Capsules	NOS	1956.42	1905.27
9. Thylam	KG	12.09	11.52

■ Particulars of Production Quantity.

Classification of Medicines	Unit	Production Quantity	
		31st March 2024	31st March 2023
1. Asavarishtam	LTR	13.82	15.26
2. Liquid Kashayam	LTR	2.15	2.22
3. Thylam	LTR	11.73	11.17
4. Lehyam	KG	3.87	4.04
5. Gritham	LTR	0.43	0.41
6. Choornam	KG	3.87	3.80
7. Pills and Capsules	NOS	2059.98	2081.35
8. Kashayachooram	KG	5.84	5.32
9. Bhasma Sindhooram	KG	.01	0.01

u) Payments to Auditor (Excluding GST)

(Amounts in Lakhs)

Particulars	2023-24	2022-23
Statutory Audit Fee	2.00	2.00
Taxation Matters	0.30	0.25
For Other Services	2.60	2.60
Total	4.90	4.85



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

v) Unbilled Dues:

Company doesn't have any unbilled dues as on 31.03.2024.

w) Undisclosed Income:

The Company has no undisclosed income during the year in the tax assessments under the Income Tax Act, 1961.

x) Details of Crypto Currency or Virtual Currency:

Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

y) Stock in Trade:

Company has no Stock in Trade in respect of goods acquired for trading Siddha and Unani Medicine with the Company. Company disclosed Purchase and Sales details of Siddha and Unani in Profit and Loss account for the period ended 31.03.2024.

z) Comparatives:

Company regrouped or rearranged previous year in the Financial Statement for the better presentation and understanding. (other long term liabilities, other current liabilities)

aa) Revised Schedule III:

The revised Schedule III as notified under the Companies Act, 2013, has become applicable to the Company for presentation of its Financial Statements for the year ending March 31, 2024. The adoption of the revised Schedule III requirements has significantly modified the presentation and disclosures which have been complied with in these Financial Statement.

32. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(Amounts in Lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
i. Contingent liabilities		
a. Claims against the company not acknowledged as debt:		
b. Other money for which the Company is contingently liable.		
Demand due on Lease rent by Revenue Authority (FY 2005-2021)	2653.65	2653.65
Demand raised by Thrissur Municipal Corporation*	32.40	-
ii. Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for;	1356.44	1371.97
b. Uncalled liability on shares and other investments partly paid;	-	-
c. Other Commitments	-	-
Total	4010.09	4025.62



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

*Thrissur Municipal Corporation has raised a demand of Rs. 117.83 lakhs, towards Kuttanellur land, of which, 32.40 lakhs is towards penalty. The matter has referred before the government to waive the penalty and hence, no provision is made for the same.

33. ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT AND LOSS

Sl. No	Particulars	2023-24	2022-23
1.	C.I.F Value of Imports (i) Raw Materials (ii) Components and Spare parts (iii) Capital goods	Nil	Nil
2.	Total Value of all imported and indigenous materials consumed during the financial year Raw Materials (i) Indigenous (ii) Imported Stores & Spares (i) Indigenous Imported	7853.91	6877.66
3.	Expenditure in Foreign Currency on account of a. Royalty b. Know – How c. Professional & Consultation Fees d. Interest e. Others	Nil	Nil
4.	Earnings in Foreign Currency on account of a. Export of goods calculated on F.O.B. basis b. Royalty, Know-how c. Professional & Consultation fees d. Interest and Dividend e. Other Income	Nil	Nil
5.	Remittance in foreign currencies on account of dividend (including remittance to NRE accounts) a. No of Non – Residential Shareholders b. No of Shares held by them c. Dividend remitted in Foreign Currency	Nil	Nil





NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

34. DIVIDEND PER SHARE:

Dividend for the financial year 2022-23 was proposed at the board meeting held on 26/10/2023. Adjourned AGM was not held for the financial year 2022-23. Hence proposed dividend was not declared for the period.

35. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been restated /regrouped / reclassified, wherever necessary, to conform to this year's classification.

Notes 3 to 20 form part of the Balance Sheet as on 31st March, 2024 and Notes 21 to 30 form part of the statement of Profit and Loss for the period ended on that date. Previous year figures are re-arranged or re-grouped wherever found necessary.

To be read with our attached report of even date
For Manikandan & Associates
Firm Regn No.008520S

Sd/-
Manikandan .C.K
(Managing Partner)
Membership No.208654

Place : Thrissur
Date :26-10-2024

For and on behalf of the Board of Director
The Pharmaceutical Corporation (IM) Kerala Limited

Sd/-
Dr.T.K.Hrideek
Managing Director
(DIN : 09533284)

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

Sd/-
S.Vinitha
Company Secretary

Sd/-
P.M.Lathakumari
Chief Finance Officer



INDEPENDENT AUDITORS REPORT (REVISED)

**To The Members of
The Pharmaceutical Corporation (IM) Kerala Limited.**

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 31st March 2024, the Statement of Profit and Loss and the Statement of Cash flows for the year ended and the Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

We had issued our Independent Auditor's Report for the year ended 31st March 2024 vide Report dated 26th October, 2024. We intent to revise the original report considering the "Draft comments of the Comptroller & Auditor General of India' under section 143 (6) of the Companies Act, 2013. Hence our original report is revised as under:-

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, 2024 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. Revenue Recognition (AS 9)

As per the stated accounting policy of the company as given in Note No. 2.5, it was disclosed that, the revenue from the sale of goods was recognized when the goods are identifiable and 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 is also considered for arriving at cost price of the product.

Goods valued at Rs. 2058.22 lakhs invoiced/billed before 31st March 2024 (during the Financial Year 2023-24), but packed and dispatched after 31st March 2024 (during the Financial Year 2024-25), was recognized during the financial year 2023-2024, which has resulted in overstatement of Revenue from sale of products by Rs. 2058.22 lakhs during the year 2023-2024.

Similarly, goods valued at Rs.989.56 lakhs invoiced/billed/recognised before 1st of April 2023 (during the Financial Year 2022-23), but packed and dispatched after 1st of April 2023 (during the Financial Year 2023-24) was not recognised during the financial year 2023-24 which has resulted in understatement of Revenue from sale of products during the year 2023-24 by Rs.989.56 lakhs.

Similarly, the closing receivables are overstated to this extent.

b. Property Plant and Equipment (AS 10)

- According to Accounting Standard (AS) 10 "Property, Plant and Equipment", assets should be recognized when certain criteria are met, which include control over the asset, the expectation of future economic benefits, reliability of measurement, and the probability of economic benefits flowing to the entity.

AS 10 mandates that assets should be recognized when it is probable that future economic benefits will flow to the entity and the cost of the asset can be reliably measured. However, the company recognizes assets constructed on leasehold land for which the lease agreement has expired. As per the explanation from the management, the renewal process is going on and hence the Fixed Asset is classified as such.

Additionally, the company has not adhered to AS 10 in limiting the useful lives of the assets on leased land to the current year, nor has it recognized any impairment loss. This noncompliance has led to a significant overstatement of assets and profit.



As per AS 10, an enterprise is encouraged to disclose the carrying amount of temporarily idle PPE, gross carrying amount of any fully depreciated PPE that is still in use and carrying amount of PPE retired from active use and not held for disposal. The same was not disclosed by the company.

2. The company has advance against sales outstanding for more than 365 days aggregating ₹ 211.30 lakhs as per mail dated 23rd October 2024. 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. As it is not possible to state whether any part of advances against sales collected by the Company will come under the definition of Public Deposits, we are unable to comment on the same.
3. The company has accepted Earnest Money Deposits (EMD) as guarantee against tender from various contractors, and the EMD due for refund were not available with the company. Therefore, it is not able to provide the quantitative details and state whether any part of the Earnest Money Deposit collected by the company will come under the definition of public deposits; hence, we are unable to comment whether the company has violated rule 2(1)(c)(xii) of Acceptance of Deposits Rules 2014 read with section 73 of the Companies Act, 2013.
4. As per the stated accounting policy of the company as given in Note No.2.6, it was disclosed that 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. Some of the Capital Work in Progress was ready for capitalisation in previous years but could not capitalise in respective years.

As per AS 10, items of Property, Plant and Equipment (PPE) should be recognised as assets when it is probable that, future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The company accounts the items categorised as "Capital Work in Progress" in previous years, which have not undergone the transition to being recognised as assets as stipulated by AS 10.

Further, no work has been done during the current financial year which qualifies to be a Capital Work in Progress, as per the explanation given by the management and no confirmation regarding the same or other details regarding not capitalizing the CWIP is not available.

5. The company has Fixed Deposits with the Treasury department amounting to Rs. 22109.19 lakhs. The company produced originals of Fixed deposit receipts for verification. And also, the company produced a confirmation with Treasury seal. We have written to the Treasury Department for confirmation and not received



confirmation directly to us, hence, we are not in a position to confirm the accuracy or other wise of the Treasury Fixed Deposit amounting to Rs. 22109.19 lakhs. As per accounting policy, interest with respect to these deposits are accounted on receipt basis.

6. Reference is invited to Note No.23 "Cost of Materials Consumed" wherein, it was mentioned that, 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. The company identify the purchase for the financial year 2023-24 by reverse working process, adjusted in accordance with the company's policy. Hence, we are unable to quantify the impact on a typical accounting method in the calculation of purchase together with its impact on the profit reported during the year, since sufficient information is not available.
7. It was disclosed that, since the company's lease agreement for 83.44 acres of land at Kadannappilly Village, Kannur District, which was originally executed for 15 years in 1990 and is currently in the process of renewal, no provision has been made in the accounts in respect of demand from Revenue Authorities.

The demand from Revenue Department of Rs. 2653.65 lakhs that was raised in the FY 2021-2022 has not been settled yet. There is an impending takeover of the said land by the Revenue authorities. The same has not been provided for on the basis of a conclusion that, the lease agreement will be renewed in terms favourable to the company and the company expects no liability in this regard.

This assumption introduces significant uncertainty. In the absence of a provision, we are unable to comment on the potential impact this may have on the financial statements.

8. Financial Statements of the previous Financial Year (2022-23) was not adopted in AGM so far.
9. Additional Qualification based on the Supplementary Audit conducted by C&AG:
 - a. Company's lease agreement for 83.44 acres of land at Kadannappilly Village, Kannur District, which was originally executed for 15 years in 1990 and is currently in the process of renewal is administered by the government order for lease which unconditionally stipulates that, the right and possession of the land would be vested with DHS (Health Department) on expiry of the existing lease term till January 2005 which was not disclosed in the financial statements.
 - b. The Company has ongoing project under CSR and unutilised amount of 90 lakhs was transferred to separate bank account before April 2024. The company also created provision for CSR which was not required since company is having an



ongoing project. This resulted in the understatement of profit to the extent of Rs.90 lakhs.

We have 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. Reference is invited to Note No. 5 "Other Long-term Liabilities", Note No.7 "Trade Payables", Note No. 8 "Other current Liabilities" and Note No. 17 "Trade Receivables", to the Financial Statements, in which the balances 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.

We are unable to secure sufficient and appropriate audit evidence to validate the authenticity of long outstanding payables / receivables included in these balances, hence, it is unable to quantify any potential impact, if any, on the company's profitability.

Our opinion is not modified in respect of this matter.

2. Reference is invited to Note No. 10 on Property, Plant & Equipment to the Financial Statements, it was stated that Company is not able to evaluate the scrap value of the assets at the time of acquisition, so company has applied a flat 5% scrap value to all its assets. This approach does not align with the principles outlined in AS 10. Our opinion is not modified in respect of this matter.
3. Sales Promotion expense which remains payable as on 31st March 2024 totaling to Rs. 738.80 lakhs were shown under Other Current liabilities. Despite our diligent efforts, we are unable to secure adequate and appropriate audit evidence to validate the authenticity of these outstanding payables, hence, we are unable to quantify any potential impact, if any, on the company's profitability.



4. Proper invoices as per GST Act has not been raised to the incomes disclosed in the financials related to tender form, project fee, and internship fee.
5. As per paragraph 87 of AS 10, an enterprise is encouraged to disclose the carrying amount of temporarily idle PPE, gross carrying amount of any fully depreciated PPE that is still in use, for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model, and carrying amount of PPE retired from active use and not held for disposal. The same was not disclosed by the company. Our opinion is not modified in this respect.
6. Reference is invited to Note No 2.17 on Provisions & Contingent Liabilities to the Financial Statements, it was stated that no provision has made in the Financial Statement on account of lease rent arrears for the period from FY 2005-06 to FY 2020-21, directed by Revenue Authorities due to the contention of the company that, it has not received any Government order regarding this matter to pay the amount to Government. Our opinion is not modified in respect of this matter.
7. The Turnover as per the books of the company mismatches with the figures reported in the GST returns. The Turnover amounts are as follows:

• Turnover as per books of accounts:	Rs. 1,85,12,64,597.82
• Turnover as per GSTR 1	Rs. 1,85,18,09,413.9
• Turnover as per GSTR3B	Rs. 1,85,42,13,539

The differences have been reconciled by the company for the preparation of financial statement. Our opinion is not modified in this respect.

8. During the year, the company has changed the method of valuation of inventory in line with Accounting Standard 2 except that of Finished Goods which is valued at Selling price which is the method adopted during the previous year. The change in method of valuation has resulted in increase in value of closing stock to the tune of ₹ 663.24 lakhs and hence the closing stock is overstated to this extent compared to previous year valuation.

However, the change in method of valuation is not adopted for Opening Stock and hence the value of opening stock is under stated to the tune of ₹ 695.25 lakhs, had the inventory been valued using the revised method.

Our opinion is not modified in this respect.

Other matters

1. Reference is invited to Note No.2.6 AS-10 "Property, Plant & Equipment" to the Financial Statements, ledger account balances of certain Property, Plant and



Equipment shows a credit balance and accumulated depreciation shows a debit balance. Even though there are differences, the same has been reconciled by the company for the preparation of financial statements.

2. We are unable to confirm the accuracy of bifurcation of balances into and the resultant impact on the presented financial statements and their accompanying disclosures for the following reasons:
 - Other Long-term liabilities specified in the Note 5 into Non-Current and Current.
 - Trade payables specified in Note 7 to Total Outstanding dues of MSME and Total Outstanding dues of Creditors other than MSME.
 - Trade receivables specified in Note 17 to secured, considered good and Unsecured, considered good.
 - Security Deposit specified in Note 5 to Current and Non-current.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate financial controls, that were operating effectively for ensuring the adequacy 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 misstatements, 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. We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

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, 2020 issued by the Central Government of India in terms of subsection (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.



2. As required by Section 143(5) of the Act, we give in "Annexure C", a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India.
3. The revised audit report is issued only in the case of Independent Auditor's Report and Report under Sec 143(11) and Report under Sec 143(5) remains the same except the date of concerned reports.
4. As required by the 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 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. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, 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.
 - d. 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.
 - e. 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.
 - f. As required by section 143(3)(i) of the Companies Act, 2013, we give in "Annexure B" 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.
 - g. 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.
 - h. 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. However, the reference is invited to the Para No. 1(c)



"Leases" of the Audit Report, regarding rent arrears for which negotiations are going on for waiver of the demand. If the waiver is not approved, it will 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.
- IV. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- V. Board of Directors, in its meeting held on 26th October 2023, has proposed a dividend out of the profits for the Financial Year 2022-23. Since the financials are not adopted in the AGM, dividend is not declared and not paid till date. During the current year, the Company has paid the proposed dividend of ₹ 100 lakhs for the FY 2021-2022 on 26th March 2024, which was declared on 13th March 2024 in adjourned 47th AGM. The dividend declared/paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- VI. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of



recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

The Revised Audit Report is issued after getting an assurance from the Management that the Revised Audit Report will be circulated to all to whom the original audit report was circulated.

For MANIKANDAN & ASSOCIATES
Chartered Accountants
Firm Reg. No.008520S

C K MANIKANDAN
Managing Partner
Membership No. 208654
UDIN: 24208654BKACUW4404

Chalakudy
Dated 11th December, 2024

Annexure A to the Independent Auditor's Report on the financial statements of The Pharmaceutical Corporation (IM) Kerala Ltd for the year ended March 31, 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE").

(ii) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company has a regular programme for the verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of One year. In our opinion, this periodicity of physical verification is reasonable having regard to the size and nature of its assets. Pursuant to such programme, a portion of such Property, plant and equipment has been physically verified by the management during the year and 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 forming part of the attached financial statements. According to the information and explanation given to us, and by examining relevant documents, we report that, the three leasehold properties were not shown as immovable properties/ lease hold properties in the financial statements and fixed asset details furnished to audit. Further, the lease agreement in respect of leased land in Kannur was not available.



Details of leasehold properties are mentioned below:

Sl. No	Description of Property	Area	Lease Year	Value Agreement	Rent paid during the year
1	Land,Kannur District, Kadannappily village, Pariyaram	83.44 acres	1990	₹ 10,430	₹ 10,430
2	Land Kollam District, Pathanauram	10 acres	2012	₹ 1000	-
3	Land Thiruvananthapuram District, Muttathara village	1 acre	2015	₹4,047	-

- (d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company has not revalued its property, plant and equipment or Intangible assets during the year.
- (e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) The company has not been sanctioned working capital limits in excess of Rs.5crores, in aggregate, at any point of time during the year, from banks or financial institutions on basis of security of current assets. Accordingly reporting requirements of paragraph 3(ii)(b) of the order is not applicable to the company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, in respect of which:
- a. The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- b. The Company has not made any investment or guarantee provided or securities given in the nature of loans and advances to any other entity during the year and hence reporting under clause 3(iii)(b) of the Order is not applicable.



- c. The Company has not provided any loans or advances in the nature of loans and advances to any other entity during the year and hence reporting under clause 3(iii)(c) of the Order is not applicable.
- d. The company has not provided any loans and advances during the year and hence reporting under clause 3(iii)(d) of the Order is not applicable.
- e. The Company has not provided any loans or advances in the nature of loans and advances to any other entity during the year and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.
- v. The Company has advances against sales outstanding for more than 365 days aggregating to Rs.211.30 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 section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year. With effect from 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.



According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, income tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable. However, the company has made GST provision for RCM liability payable on hired transportation charges amounting to Rs. 6.86 lakhs and the same is pending for payment.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employee's State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed any loans or other borrowings during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

c. According to the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, reporting under clause 3(ix) (c) of the Order is not applicable.

d. On an overall examination of the financial statements of the Company, we report that no funds have been raised on short-term basis. Hence reporting under clause 3(ix) (d) of the Order is not applicable.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has no subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (e) of the Order is not applicable.

f. According to the information and explanations given to us and procedures performed by us, we report that the Company has no subsidiaries as defined



under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us and based on our examination of the records of the company, no whistle-blower complains have been received during the year by the company.
- xii. Based on information and explanations provided to us and our audit procedures, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".



- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, change in statutory auditors is due to rotation of auditors and the statutory has taken into consideration the issues, objections, or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- xx. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the unspent CSR amount with interest amounting to Rs. 125.45 lakhs up to FY 2020-21 has been transferred to National Ayush Mission (NAM).
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to on-going CSR project has been transferred to special account in compliance with the provision of sub section (6) of section 135 of the said act.
- xxi. Since this is a standalone financial statement, paragraph 3(xxi) is not applicable.

For MANIKANDAN & ASSOCIATES
Chartered Accountants
Firm Reg. No.008520S

C K MANIKANDAN
Managing Partner
Membership No. 208654
UDIN: 24208654BKACUW4404

Chalakudy
Dated 11th December, 2024



Annexure B to the Independent Auditor's Report of The Pharmaceutical Corporation (IM) Kerala Limited, for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to the aforesaid financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 4(f) under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of THE PHARMACEUTICAL CORPORATION (IM) KERALA LIMITED as of 31st March 2024 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under



Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of

such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Financial Statements

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 31 2024:

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, 2024, 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 31 March, 2024 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 MANIKANDAN & ASSOCIATES
Chartered Accountants
Firm Reg. No.008520S

C K MANIKANDAN
Managing Partner
Membership No. 208654
UDIN: 24208654BKACUW4404

Chalakudy
Dated 11th December, 2024



The Annexure C 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, 2024

We have examined the books of accounts of The Pharmaceutical Corporation(IM) Kerala Limited for the year ended March, 2024 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.

General directions under section 143(5) of The Companies Act, 2013

- i. The Company has a system in place to process all the accounting transactions through its implemented IT system, SAP. As such, we have not come across any accounting transactions processed outside IT system which would have an impact on the integrity of the accounts or any financial implications.
- ii. Based on our examination of relevant records of the Company and the information and findings / explanations received from the Management, there were no cases of restructuring of an existing loan or cases of waiver / write off of debts / loans / interest by any of the lenders of the Company due to inability to repay the loan.
- iii. Based on our examination of relevant records of the Company and the information, explanations and findings received from the Management, funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per terms and conditions and applicable Accounting Standard.

Sector Specific Sub-directions under section 143(5) of The Companies Act, 2013

Agriculture and Allied Sector

a) General

- i. 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.
- ii. According to the information and explanations given to us, physical verification and valuation of standing crops/ trees was not done at the end of the Financial Year in accordance with the standard industry practices.
- iii. As per the information explanations given to us, the stock of seeds packing/ certification materials and other items have been taken on the basis of stock records and there is no excess or shortage found during physical verification and



due consideration has been given for deterioration in the quality of old stocks while taking the value of stock of seeds packing/ certification materials and other items.

- iv. According to the information and explanations given to us, all the agriculture produce procured are properly stored but the same is not insured.
- v. As per the information and explanation given to us company has not disbursed any loans/subsidies/ agro inputs and agriculture machineries to beneficiaries.
- vi. 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 as per AS-12 and utilized as per the terms and conditions.
- vii. According to the information and explanations given to us, the company has no abandoned projects.

b) Agriculture Procurement

The Company is not engaged in any Agricultural Procurement activities.

Health Sector

- i. In our opinion and according to the information obtained and explanations given to us, the company has carried out activities relating to health promotion, prevention of epidemics, community health and sanitation activities.
- ii. According to the information and explanations given to us, the cost accounting system of the company ensures correct accounting of cost for each category of medicines/drugs/equipment and machinery.
- iii. According to the information and explanations given to us, the system for valuation and accounting of medicine inventory followed by the company is adequate and in accordance with the standard practices of the industry.

Services Sector

- i. 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.
- ii. According to the information and explanations given to us, company has not recovered commission for work executed on behalf of government/other organizations and the, the company has an efficient system for billing and collection of revenue.



- iii. As per the information obtained and explanations given to us, the company regularly monitors timely receipt of subsidies from government and is properly recording them in its books of accounts.
- iv. In our opinion and according to the information obtained and explanations given to us, the company has not earned any interest on parking of funds received for specific projects from government.
- v. According to the information and explanations given to us, the company has not entered into Memorandum of Understanding with its Administrative Ministry.

Trading Sector

- i. According to the information and explanations given to us, the company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts.
- ii. The inventory has been physically verified by the management at the year end. In our opinion, the frequency of such verification by the management and 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. Based on explanations and findings received from the Management, any discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such verification.
- iii. In our opinion, the systems followed by the company in the recovery of dues in respect of sale activities are sufficient and working effectively.

For MANIKANDAN & ASSOCIATES
Chartered Accountants
Firm Reg. No.008520S

C K MANIKANDAN
Managing Partner
Membership No. 208654
UDIN: 24208654BKACUW4404

Chalakudy
Dated 11th December, 2024



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(A Govt. of Kerala undertaking)



**THE PHARMACEUTICAL
CORPORATION (IM) KERALA LTD.**
KUTTANELLUR, THRISSUR - 14.

**USHADHI RESEARCH AND DEVELOPMENT SOCIETY NO. R-343/10
CENTRE OF EXCELLENCE FOR AYURVEDIC PHARMACEUTICALS IN INDIA**

Oushadhi Compound, Kuttanellur, Thrissur - 680 014

Balance Sheet As At 31st March 2024

Sources of Fund		Amount	Application of Funds	Amount
Grant from Government of India: Dept. of AYUSH -No.Z.15015/06/2010 - COE(Part) Dt.28.09.2010		4,65,00,000.00	Property, Plant and Equipments: Centre of Excellence	6,18,31,464.00
Excess of Expenditure over Income: As per Last Balance Sheet	(9,01,129.50)		Current Assets, Loans and Advances: Cash in Hand	-
Add: For the Current Year	(14,912.00)	(9,16,041.50)	Cash with Scheduled Bank: Punjab National Bank	12,662.50
Non - Current Liabilities: Oushadhi, The Pharmaceuticals Corporation (IM) Kerala Ltd.		1,60,18,873.00		
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 Assets		1,79,815.00		
Total		6,18,44,126.50	Total	6,18,44,126.50

Notes 01 to 15 forms an integral part of this Financial Statement.

As per our separate report of even date attached.

For Oushadhi Research and Development Society

For JGS & Associates

Dr.T.K.Hrideek
(Chief Executive Officer)

Sudheesh P (Partner)
Chartered Accountants
Membership No: 223590
Firm Reg No: 013019s

P.M. Lathakumari
(Secretary)

S.Vinitha
(Treasurer)

Place : Thrissur
Date :26-10-2024



**OUSHADHI RESEARCH AND DEVELOPMENT SOCIETY NO. R-343/10
CENTRE OF EXCELLENCE FOR AYURVEDIC PHARMACEUTICALS IN INDIA**

Oushadhi Compound, Kuttanellur, Thrissur - 680 014

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2024**

Expenditure	Amount	Income	Amount
Audit Fee	9,440.00		
Bank Charges and Interest	472.00		
Professional Charges	5,000.00	Excess of Expenditure over Income	14,912.00
Total	14,912.00	Total	14,912.00

Notes 01 to 15 forms an integral part of this Financial Statement.

For Oushadhi Research and Development Society

Dr.T.K.Hrideek
(Chief Executive Officer)

P.M. Lathakumari
(Secretary)

S.Vinitha
(Treasurer)

As per our separate report of
even date attached.

For JGS & Associates

Sudheesh P (Partner)
Chartered Accountants
Membership No: 223590
Firm Reg No: 013019s

Place : Thrissur
Date :26-10-2024



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(A Govt. of Kerala undertaking)



**THE PHARMACEUTICAL
CORPORATION (IM) KERALA LTD.**
KUTTANELLUR, THRISSUR - 14.

**OUSHADHI RESEARCH AND DEVELOPMENT SOCIETY NO. R-343/10
CENTRE OF EXCELLENCE FOR AYURVEDIC PHARMACEUTICALS IN INDIA**

Oushadhi Compound, Kuttanellur, Thrissur - 680 014

**RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2024**

Receipts	Amount	Payments	Amount
Opening Balance:		Audit Fee	18,880.00
Cash in Hand	-	Consultancy Fee	10,000.00
Cash with Scheduled Bank:		Bank Charges	472.00
Punjab National Bank	13,134.50	Closing Balance:	
Fund Received from Oushadhi	28,880.00	Cash in Hand	-
Cash with Scheduled Bank:		Punjab National Bank	12,662.50
Total	42,014.50	Total	42,014.50

Notes 01 to 15 forms an integral part of this Financial Statement.

For Oushadhi Research and Development Society

Dr.T.K.Hrideek
(Chief Executive Officer)

P.M. Lathakumari
(Secretary)

S.Vinitha
(Treasurer)

Place : Thrissur
Date :26-10-2024

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

Sudheesh P (Partner)
Chartered Accountants
Membership No: 223590
Firm Reg No: 013019s



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.

Society Overview

Oushadhi Research and Development Society Reg no 343/10, is a Society domiciled at No. R-343/10, Oushadhi compound, Kuttanellur, Thrissur - 680 014. The Society is formed to set up a centre for excellence for manufacture of Ayurvedic medicine and for research studies in Ayurvedic medicines, medicinal plants, improve quality of Ayurvedic products, research and development of medical Ayurvedic products etc.

Significant Accounting Policies/Compliances of Accounting standards relevant to the Society:

1.

a. Basis of Accounting:

- 1 Financial Statements have been prepared in accordance with generally accepted accounting principles (GAAP), includes generally under the historical cost convention on accrual basis and exceptions to this basis, if any are herein specifically mentioned. GAAP comprises of mandatory Accounting Standards issued by National advisory committee on Accounting Standards (NACAS) and Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act.2013 and guidelines issued by ICAI. Accounting policies have been consistently adopted.

b. Use of Estimates:

The preparation of Financial Statements in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that, affect the reported amount of assets and liabilities, and disclosure of contingent liabilities on the date of financial statement and reported amounts of income and expenditure for the year. Actual result could differ from these estimates. Any revisions in accounting estimate, are recognized in the period in which the results are known / materialized.

2. AS - 1: Disclosure on accounting policies:

The Financial Statements are prepared under the historical cost conventional method and are in consonance with the generally accepted accounting principles. The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets & liabilities on the date of Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. All assets and liabilities have been classified as



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.

current and non-current as per the society normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

The accounts are maintained on accrual basis as a going concern. The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year.

3. AS - 2: Valuation of Inventories:

Inventories if any is valued at cost or net realisable value whichever is less. Society is not holding any inventory as on 31-03-2024.

4. AS-4: Contingencies and Events Occurring After the Balance Sheet Date:

Events which occur between the balance sheet date and the date on which the Financial Statements are approved, may indicate the need for adjustments to assets and liabilities as at the balance sheet date or may require disclosure. There are no such events identified as adjustment in financial statement and also required for any disclosure.

5. AS - 5: Net Profit or loss for the period, prior period items and changes in accounting policies:

a. Net Profit or loss for the period:

All items of income and expense in the period are included in determination of net profit or loss for the period.

b. Prior period items

Prior period income/expense, wherever identified and accounted accordingly. During the year, there are no such items under report.

c. Changes in accounting policies

The accounting policies are seen followed by the society and applied consistently and there are no changes in accounting policies as compared to the previous year.

d. Changes in accounting estimate

There does not occur a change in accounting estimate and accounting estimate are followed by the society consistently as compared to the previous year.

6. AS - 9: Revenue recognition:

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Society expects to receive in exchange for those products or services.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.

Revenue from sale of products and services if any are recognized at a time on which the performance obligation is satisfied. The period over which revenue is recognized is based on entity's right to receive payment for performance completed. In determining whether a society has right to receive payment, the society shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract

7. AS - 10: Property, Plant and Equipment:

Property, plant and equipment, are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as decided by the Management. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the society and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation if any charged are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Income and Expenditure Account.

Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on Property, plant and equipment is not provided in the accounts.

Society reviewed that impact of Covid-19 does not lead to impairment of asset and expected to recover carrying amount of asset

8. AS-12: Government Grants:

The society been aggregate amount of R4,65,00,000.00/- and Nil During the year as Grant from Ayush, Ministry of Health and Family welfare, Govt. Of India, Nirman Bhawan, New Delhi. The grant is received as portion of investment towards total capital outlay in building infrastructure of centre of excellence. The amount will be credited to capital reserve on final order and no repayment being expected.

9. AS-13: Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investment is measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.

Long term investments are carried at cost of acquisition including dividend re-invested. Provision has been made for depletion in value of these investments, if it's of the nature other than temporary.

Current investments are individually valued at the lower of cost and fair market value.

The impairment methodology applied depends on whether there has been a significant increase in credit risk

10. AS - 15: Employee Benefits:

I. Short Term Employee Benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months if any of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service.

II. Post-Employment/ Retirement Benefits

a) Defined Contribution Plans

The Society makes payment to state government provident fund scheme and employee state insurance scheme which are defined contribution plans if any required. The contribution paid/payable under the schemes if any is recognised in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Defined Benefit Plans (Gratuity Unfunded)

Gratuity if any is provided in the accounts based on evaluation and computation of present employees in the pay roll of the society and treated as short term provision. Other employees benefits including Earned leave encashment accounted on cash basis, since the amount involved is not material.

c) Termination benefits

Termination benefits are payable when employment is terminated by the society before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The society recognises termination benefits at the earlier of the following dates:

- When the society can no longer withdraw the offer of those benefits; and

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.

- When the society recognises costs for a restructuring that is within the scope of AS 15 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

11. AS - 16: Borrowing Cost:

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

12. AS - 18: Related party disclosure:

There are no related party transactions occurred during the year.

13. AS - 27: Financial Reporting of Interests in Joint Ventures:

The society have not invested in any Joint Venture during the Financial Year 2023-24 and hence AS 27- "Financial Reporting of Interests in Joint Ventures" not applicable.

14. AS - 28: Impairment of Assets:

At the Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the society Cash Generating Units. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of a Cash Generating Units exceeds its recoverable amount. After recognition of impairment loss, the depreciation charge for the Cash Generating Units is adjusted in future periods to allocate the Cash Generating Unit's revised carrying amount less its residual value, if any, on written value basis over its remaining useful life. During the year no impairment of Cash Generating Units has been recognized and identified.

15. AS - 29: Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the society or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

For Oushadhi Research and Development Society
even date attached.

As per our separate report of
For JGS & Associates

Dr.T.K. Hrideek
(Chief Executive Officer)

Sudheesh P.
(Partner)

P.M. Lathakumari
(Secretary)

S. Vinitha
(Treasurer)

M.No 223590
FRN 013019s

Place: Kuttanellur

Date: 20.12.2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Oushadhi Research and Development Society

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of Oushadhi Research and Development Society ("the Society"), which comprise the balance sheet as at 31st March 2024, the Income and Expenditure Account then ended, Receipts and Payment Account 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 so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the society as at March 31, 2024, and its excess of expenditure over income, for the year ended on that date.

Basis for Opinion

Refer to Note No 8 forming part of the financial statement, the formalities towards the government grant of Rupees 4 crores and 65 lakhs and respective accounting including charge of depreciation has not been completed/provided, and the arrangement for recognition, realization of income, and performance of its future operation to meet up the objective of the society of centre of excellence in manufacture of Ayurvedic medicines, is pending and we qualify our opinion on this.

We conducted our audit in accordance with the Standards on Auditing (SAs). 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 Society 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in



forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, key Audit Matters are not applicable to the society.

Emphasis matters

As more specifically explained in Note 7 to the financial statements, the society has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, building, office equipment and civil work. Based on

Current indicators of future economic conditions, the society expects to recover the carrying amount of these assets. The society continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. And that since the society does not provide any depreciation during the year the expenditure over income is shown reduced to that extent.

Information other than the financial statements and auditor's report thereon

The Management of society is responsible for the preparation of the other information. The other information comprises the information included in the Board's management representation, Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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 during the course of our 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, and we have nothing to report in this regard.

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

The Management of society is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the society in accordance with the accounting principles and accounting Standards generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the society 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, the Management of society is responsible for assessing the society'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 the Management of society either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

Those Management of society are also responsible for overseeing the society'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.
- 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 society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 society 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 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. We report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the society so far as it appears from our examination of those books.
- c) The Balance Sheet, the Income and Expenditure Account dealt with by this Report are in agreement with the books of account.

For JGS & ASSOCIATES

SUDHEESH P
(PARTNER)

CHARTERED ACCOUNTANTS

MEMBERSHIP NO : 223590

FIRM REG NO : 013019s

PLACE : CHALAKUDY

DATE : 27-11-2024